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PART XXVII.

FURTHER CORRESPONDENCE

RESPECTING THE

A F F A I R S O F P E R S I A .

July to September 1911.

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156	" ..	282 Tel.	24,	Sipahdar. Reports resignation of Prime Minister	96
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159	Anglo - Persian Oil Company	..	24,	Agreement between oil company and Bakhtiari khans. Acknowledges No. 80. Expresses thanks to Mr. Ranking. Is instructing agents to erect boundary poles (see No. 226)	97
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164	Sir G. Barclay	.. 286 Tel.	26,	Kermanshah situation. Continues No. 140. Transmits report from His Majesty's consul at Kermanshah regarding	99
165	" "	.. 287 Tel.	26,	Cabinet. Reports Samsam-es-Sultaneh appointed Prime Minister. Ministry composed mostly of democrats	100
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169	To India Office	26,	Trans-Persian railway. Transmits Nos. 83 and 176. Asks for views of Indian Government on Government guarantee of line and alignment of portion of railway in British sphere of influence (see No. 324)	101
170	To Board of Trade	26,	Hormuz oxide. Acknowledges No. 84. Proposed reply to Strick (see No. 245)	101
171	To Anglo-Persian Oil Company	26,	Trans-Persian railway. Acknowledges No. 154. Russian group desire alteration in alignment	101
172	To Messrs. Ellinger and Co.	26,	Hormuz oxide. Refers to Part XXVI, No. 338. His Majesty's Government will recommend Ellinger's scheme to Messrs. Strick (see No. 195)	102

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312	" ..	336 Tel.	17.	Stokes's appointment. Refers to No. 306. States protest was made by M. Poklewsky ..	199

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314	" ..	338 Tel.	17,	Russo-Persian relations. Refers to No. 393. Statement made by Russian Minister to Minister for Foreign Affairs affirming that Russia desired friendly relations ..	199
315	Sir G. Buchanan ..	182 Tel.	17,	Stokes's appointment. Has addressed letter to Acting Minister for Foreign Affairs in sense of No. 306 (see No. 329) ..	200
315*	To Sir G. Barclay ..	239 Tel.	17,	Swedish officers. May join Russian colleague in advising Persian Government to employ Swedish officers, as suggested in No. 313..	200*
316	To Sir G. Buchanan..	447 Tel.	17,	Swedish officers. Should communicate substance of Nos. 313 and 315 to Minister for Foreign Affairs ..	200
317	Anglo - Persian Oil Company ..	..	16,	Draft railway concession. Transmits telegram to Tehran agent, in which he is informed of substance of draft contract subject to alterations by His Majesty's Government ..	200
318	India Office ..	..	17,	Railway concession. Acknowledges No. 302. Comments on draft reply to Mr. Greenway. India Office no objection to Customs surplus being security on certain conditions ..	201
318*	Sir G. Barclay ..	339 Tel.	18,	Southern roads. Refers to No. 300. Reports further robberies on Bakhtiari road..	202*
319	" ..	340 Tel.	18,	Ex-Shah's return. Reports ex-Shah 30 miles north-east of Firuzkuh. His troops are pillaging Semnan ..	202
320	Sir G. Buchanan ..	183 Tel. Secret	18,	Russo - German agreement. Refers to No. 274. Amended agreement. Only a few minor changes from that transmitted in No. 97 ..	202
321	To Sir G. Barclay ..	240 Tel.	18,	Stokes's appointment. Refers to No. 306. Should act accordingly when Russian colleague receives his instructions (see No. 331*) ..	203
321*	" ..	242 Tel.	18,	Stokes's appointment. Russian Government cannot accept Minister for Foreign Affairs' proposal. Should tell Persian Government His Majesty's Government consider Russian Government's objection well founded ..	203*
322	To Sir G. Buchanan..	449 Tel.	18,	Shiraz situation. Refers to No. 310. Should inform Russian Government of proposed reinforcements (see No. 328) ..	203
323	To India Office ..	..	18,	Shiraz situation. Transmits No. 310. His Majesty's Government supports His Majesty's Minister at Tehran's recommendation ..	203
324	India Office	18,	Trans - Persian railway. Acknowledges No. 169. Question of guarantee and alignment. Transmits despatch to Indian Government regarding ..	203

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326	Board of Trade ..	Confidential	18,	Persian railways concession. Acknowledges No. 301. Their opinion on draft concession. British investors would prefer Government bonds to guaranteed bonds. Question of redemption by Persian Government ..	207
327	Anglo - Persian Oil Company ..	..	18,	Oil company and Bakhtiari khans. Refers to Part XXI, No. 177. Transmits letter sent to agents, giving details concerning shares due to khans and their delivery (see No. 356) ..	208
327*	Sir G. Barclay ..	341 Tel.	19,	Railways. Recommends first proposal. Gives reasons. Proposes disputes be settled by negotiation ..	208*
328	Sir G. Buchanan ..	184 Tel.	19,	Shiraz consulate. Refers to No. 322. Acting Minister for Foreign Affairs does not object ..	208
329	" ..	185 Tel.	19,	Stokes. Refers to Nos. 315 and 321*. Acting Minister for Foreign Affairs expressed his warmest thanks for instructions sent by His Majesty's Government to Tehran. He will tranquillise public opinion in Russia ..	209
330	" ..	187 Tel.	19,	Swedish officers. Russian Minister has received instructions similar to those contained in No. 315* ..	209
331	Sir G. Barclay ..	342 Tel.	20,	Stokes's appointment. Refers to Nos. 321 and 321*. Russian Minister and His Majesty's Minister have made their communications to Persian Government ..	209
331*	To Sir G. Barclay ..	244 Tel.	20,	Swedish officers in gendarmerie. Asks for explanation of apparent misunderstanding by Russian Government of officers' sphere of work (see No. 243) ..	209*
332	Telegram communicated by Count Benckendorff	20,	Stokes's appointment. Acting Minister for Foreign Affairs states incident is closed by declaration made by His Majesty's Minister at Tehran to Persian Government ..	209
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334	" ..	8	27,	Luristan road. Transmits communication from Colonel Cox concerning the proposed opening of ..	239
335	Sir G. Lowther ..	568	Aug. 10,	Ex-Shah's return. Gives substance of article in the "Turquie" which suggests that the return of the ex-Shah has been engineered by Austro-German interests ..	242
336	Consul Stevens ..	10	10,	Ex-Shah's return. Reports of plot to assassinate ex-Shah ..	242
337	Sir G. Barclay ..	343 Tel.	21,	Stokes's appointment. Stokes wishes to know if his resignation is definitely refused ..	242
338	" ..	344 Tel.	21,	Ex-Shah's return. His Majesty's acting consul, Tabreez, reports ex-Shah has appointed Suja-ed-Dowleh Governor-General of Azerbaijan (see No. 457) ..	243

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340	" ..	346 Tel.	21,	Shiraz situation and Kawami. Incessant fighting reported for last three days. Roads unsafe; all business stopped ..	243
341	" ..	347 Tel.	21,	Bushire-Shiraz motor road. Refers to No. 121. Sees no objection to proposed survey (see No. 552) ..	244
342	" ..	348 Tel.	21,	Stokes's appointment. Interview of Shuster with Russian Minister. Shuster willing to make certain concessions as regards limitation of Stokes's action in Northern Persia and Russian conversion. M. Poklewsky held out no hopes that Russian Government would accept terms (see No. 363) ..	244
343	Sir G. Buchanan ..	188 Tel.	21,	Swedish officers. Refers to No. 331*. Has made communication to Russian Government in sense of No. 313 ..	244
344	To India Office ..	..	21,	Railway draft concession. Acknowledges No. 318. Transmits No. 326, suggesting means by which difficulty mentioned can be overcome (see No. 367) ..	244
345	To Mr. Baker ..	..	21,	Railway construction in Persia. Acknowledges No. 308. His Majesty's Government cannot countenance any scheme which has not obtained sanction of Russian Government. This sanction once obtained, His Majesty's Government will remain neutral ..	245
346	Sir G. Barclay ..	349 Tel.	22,	Shiraz situation. Reports armistice ..	245
347	Persian Minister to Mr. Mallet	17,	Russian troops. Gives number of Russian troops in Persia at about 4,000 ..	245
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348B	" ..	246 Tel.	23,	Swedish officers. Explains how mistake arose about. Question of distribution of Swedish officers between Treasury gendarmerie and southern roads (see No. 348) ..	246*
349	" ..	104	23,	Anglo-Persian Oil Company and Bakhtiari khans. Refers to Part XXII, No. 58. Transmits letter from oil company respecting method of transfer of shares ..	247
350	To Treasury ..	..	23,	Bunder Abbas consulate. Hopes Treasury will sanction additional expenditure (see No. 433) ..	247
351	To India Office	23,	Alteration in Indian political service. Acknowledges No. 296. Foreign Office agrees it is inadvisable to make any change for the present ..	247

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353	Sir G. Barclay ..	350 Tel.	24,	Salar-ed-Dowleh's movements. Continues No. 305. Reports he has left Kermanshah for Hamadan (see No. 411) ..	248
354	" ..	351 Tel.	24,	Luristan road. Lynch's agent is taking steps to secure completion of road. It is doubtful whether road will continue secure for long ..	248
354*	To Sir G. Barclay ..	247 Tel. Confidential	24,	Seligman loan. Asks for information regarding reported loan of 4,000,000/ by Seligman to Persian Government. Is Deutsche Bank behind Seligmans? ..	248*
355	To Lieutenant-Colonel Cox ..	1	24,	Claims by British firms against Persian Government. His Majesty's Government will insist upon payment of claims if any considerable loan is raised by Persian Government for payment of their creditors ..	248
356	To Anglo-Persian Oil Company	24,	Oil company and Bakhtiari khans. Acknowledges No. 327. His Majesty's consul at Ahwaz and Dr. Young will arrange time and place of transfer of shares ..	249
357	Messrs. Ellinger and Co.	24,	Hormuz oxide. Acknowledges No. 352, and notes contents ..	249
358	Sir G. Barclay ..	352 Tel.	25,	Ex-Shah's return. Refers to No. 348A. Rumours of Russian connivance appear to be without foundation. ..	249
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361	" ..	355 Tel.	25,	Mesher road. Reports Turkomans have advanced along Mesher road to within 25 miles of Aradan ..	251
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363	" ..	357 Tel.	25,	Seligman loan. Refers to No. 342. Will telegraph details later ..	251
364	" ..	358 Tel.	25,	His Majesty's vice-consul at Lingah. Refers to No. 359. Reports discourteous attitude of Turkish consul towards His Majesty's vice-consul at Lingah. Is communicating with Turkish Ambassador (see No. 400*) ..	251
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400	" ..	239	23,	Russo-German agreement. Transmits press comments on general lack of enthusiasm in press ..	307
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401	India Office	28,	Expulsion of Persian subject from India. Transmits letter from Indian Government, recommending expulsion of Seyyid Jalal-ud-Din. India Office is not prepared to sanction his removal ..	308
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404	India Office	29,	Mohammerah-Khorembad Railway. Refers to No. 333. Cannot express an opinion until Indian Government have sent their views. Suggests that Sheikh of Mohammerah's interests should not be overlooked ..	310
405	Sir G. Barclay ..	364 Tel.	30,	Ex-Shah's return. Reports two defeats of ex-Shah at Firuzkuh and Baladeh ..	311
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411	" ..	367 Tel.	31,	Salar-ed-Dowleh. Refers to No. 353. Reports Salar-ed-Dowleh, with force of 10,000 men, has occupied Hamadan and intends to march on Kazvin ..	313
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421	Persian Transport Company	1,	Luristan road. Acknowledges No. 408. Company's engineer will proceed to make survey of the road ..	316
422	Sir G. Barclay ..	371 Tel.	2,	Treasury gendarmerie. Refers to No. 342. Russian Government have asked Russian Minister to obtain particulars concerning..	316
423	" ..	372 Tel.	2,	Southern roads. Refers to No. 409. Reports two further robberies on Bunder Abbas-Kerman road ..	316
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425	To Sir G. Barclay ..	251 Tel.	2,	Hormuz oxide. Refers to No. 360. Explains that the dispossession of the Muin by Persian Government is the ultimate ground of all the claims ..	317
426	To Anglo-Persian Oil Company	2,	Oil company's wells at Kasr-i-Shirin. Refers to No. 239. Suggests deferring action with regard to ejection or payment of Kerim Khan (see No. 501) ..	317
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428	Sir G. Barclay ..	374 Tel.	Sept. 4,	Salar-ed-Dowleh. Refers to No. 391. Reports Lurs have joined Salar-ed-Dowleh; latter has given governorship of Burujird to a Lur chief ..	318
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434	India Office	4,	Reinforcements for Shiraz consular guard. Transmits telegram to Indian Government asking for reinforcements to be sent ..	321
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436	Sir G. Barclay ..	376 Tel.	5,	Ex-Shah's return. Refers to No. 373. Bakhtiari reported to have defeated Arshad-ed-Dowleh near Aradan (see No. 443) ..	322
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439	"	5,	Expulsion of Persian subject from India. Concurs that expulsion should not be enforced ..	322
440	"	5,	Seligman loan. Transmits No. 416. Asks if India Office considers interests of Imperial Bank are sufficiently protected by assurances in No. 410 ..	323
441	To Euphrates and Tigris Steam Navigation Company	5,	Karun steamer service. 1,500 <i>l.</i> will be paid to company as subsidy for year ending 31st December, 1910 (see No. 455) ..	323
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445	Mr. Greenway	5,	Oil Company. Rumour in question is without foundation and from an irresponsible source ..	325
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447	India Office	6,	Trade in Southern Persia. Replies to No. 418. Secretary of State for India concurs in proposal of sending commercial adviser ..	326

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452	To Lieutenant-Colonel Telegraphic Cox	7,	Trade in Southern Persia. Refers to No. 385. Cost of commercial adviser's visit is sanctioned ..	327
453	To Messrs. Ellinger and Co.	7,	Hormuz oxide. Refers to No. 415. Foreign Office gives full liberty to Ellinger and Co. to negotiate with Persian Government ..	327
454	India Office	7,	Turkish subjects at Lingah. Transmits telegram from Colonel Cox, asking for instructions regarding registration of Turkish subjects ..	328
455	Euphrates and Tigris Steam Navigation Company	7,	Karun steam service. Acknowledges No. 441. Asks for order on Lloyd's Bank for balance of subvention ..	328
456	Mr. Greenway to Mr. Mallet	7,	Persian Railway Syndicate. Refers to No. 435. Minimum tenure of thirty-six years is actually secured by 1 per cent. per annum amortisation fund. Transmits draft contract (see No. 467) ..	329
457	Sir G. Barclay ..	382 Tel.	8,	Ex-Shah's return. Refers to No. 338. Reports Suja-ed-Dowleh is threatening Tabreez ..	335
458	" ..	383 Tel.	8,	Shiraz situation. Reports fighting between Arab chiefs and Kashgais. Threats against Governor-General ..	335
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461	Mr. Mallet to Mr. Greenway	8,	Persian Railway Syndicate. Draft contract. Acknowledges No. 456 ..	336
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ERRATA.

No. 35, p. 39, line 1.—For "Sir G. Lowther's telegram" read "Mr. Marling's telegram."
 No. 158, p. 97, heading.—For "Sir A. Nicolson to India Office" read "Foreign Office to India Office."
 No. 161, p. 98, line 2.—For "7th May" read "28th July."
 Nos. 175 and 176, p. 103, headings.—For "Sir A. Nicolson" read "Foreign Office."
 No. 291, p. 162, lines 6 and 7.—"7th" should precede "August," not "Stokes's."
 No. 425, p. 317, line 2.—For "No. 254" read "No. 354."
 No. 534*, p. 360*, line 9.—For "Sir J. Jackson" read "Sir T. Jackson."

CONFIDENTIAL.

Further Correspondence respecting the Affairs of Persia.

PART XXVII.

[25620]

No. 1.

Mr. Picot to Mr. Maxwell.—(Received July 1.)

My dear Maxwell,

Junior United Service Club, London,
June 20, 1911.

REFERRING to my visit to you yesterday regarding the formation of a syndicate composed of the Persian Transport Company (the shares of which are held by the Euphrates and Tigris Steam Navigation Company and the Imperial Bank of Persia) and the Persian Oil Company, it was proposed and agreed that the Persian Transport Company and the Persian Oil Company should take equal shares, that a certain capital should be raised for the initial expenses connected with the *obtention* of the railway concessions in Persia, and that an independent chairman should be chosen.

No definite reply has yet been received to the invitation sent out to the proposed chairman.

As far as the matter has yet gone this seems to me satisfactory, and should prove a solution of the differences which would certainly arise should these different interests enter the field in competition.

With the syndicated interests we shall have the Transport Company (inclusive of the Imperial Bank of Persia and the Euphrates and Tigris Steam Navigation Company) and the Oil Company working in unison.

At the meeting at the Imperial Bank of Persia to discuss the best method of bringing the foregoing interests into line, the chairman of the Imperial Bank of Persia presided; Mr. Greenway represented the Persian Oil Company. This gentleman seemed to be of the opinion that the Transport Company had failed to accomplish its aims in Persia, and had thereby shown itself unequal to its task. This view is demonstrably incorrect, for it has been quite impossible to undertake any work in Luristan or on the Kom-Ispahan roads during recent years.

If you have an opportunity, I hope Mr. Greenway will have this point made clear to him by the Foreign Office, as it is of importance to us that he should understand why the Transport Company has not been able to go ahead faster. There is, as you know, some 10,000*l.* ready to lay out on the Kom-Ispahan road as soon as our concession is renewed and safety can be secured on this road.

As regards the Armstrong and Palmer contract case in Constantinople, our position *vis-à-vis* of British firms desirous of securing railway concessions in Persia is not on all fours. In the Armstrong case other shipbuilding firms were tendering, and the Foreign Office, I take it, was only concerned to see that one of these firms got the order. There were no obligations towards Armstrong. In our case the Foreign Office is in a different position; the inducement to the Transport Company to take over the roads in the north, &c., was confidence in the Foreign Office assurances as regards railways. Acting on the faith of these assurances, we have given an immense amount of headwork, for nearly ten years, without fees to the board or dividends to the shareholders, and have kept the enterprise with its head above water. A considerable sum of money has also been expended by us.

[1505]

B

Under these circumstances, we have a claim on the Foreign Office to make good their assurances. It will simplify matters enormously if all goes well with the combined interests, and I venture to suggest that the Foreign Office should use its decisive influence to bring us all together should any unforeseen difficulty arise.

Yours sincerely,
H. PICOT.

[25625]

No. 2.

Sir G. Barclay to Sir Edward Grey.—(Received July 1.)

(No. 228.)

(Telegraphic.) R.

Tehran, July 1, 1911.

MY telegram No. 222 of 20th June.

Prime Minister is still at Resht.

Medjliss telegraphed him 25th June begging him to return to Tehran, but received no answer.

Yesterday majority requested Regent to assume dictatorial powers. His Highness declined, saying that he could not transgress constitution. Majority then asked His Highness to telegraph Prime Minister urging him to return. They assured His Highness that Sipahdar would have their united support, and that they would not interfere in his choice of Ministers. Regent has now telegraphed Prime Minister in this sense.

Regent tells me that minority have also promised to support Prime Minister, but His Highness distrusts this promise, as Democrat press continues to attack Sipahdar.

Meanwhile Cabinet without its Prime Minister is carrying on.

[25668]

No. 3.

Sir G. Barclay to Sir Edward Grey.—(Received July 3.)

(No. 83.)

Sir,

Tehran, June 3, 1911.

I TAKE the opportunity of the departure on the 26th ultimo of the Vicomte du Halgouet, who, during the leave of M. Lecomte, has acted as French chargé d'affaires at Tehran, to bear testimony to the loyal manner in which the Vicomte du Halgouet has assisted my Russian colleague and me during his charge.

I venture to recall one occasion in particular when the Vicomte du Halgouet's reports to his Government produced most useful results. It was, I understand, largely due to his insistence last January that the French Government refused the request of the Persian Government for the loan of officials to serve in the Persian Ministries of Interior and Justice. The French Government having sounded the German Government, and having found that there was no objection at Berlin to the loan of these officials, were apparently thinking of returning a favourable reply to the application of the Persian Government.

Nothing would have suited the German Government better than this. Count Quadt was perpetually questioning Vicomte du Halgouet as to what answer the French Government were about to return, and it was pretty evident that a favourable answer on the part of the French Government would have provoked from Germany a demand for the engagement of Germans in other departments of the Persian Government. Fortunately Vicomte du Halgouet insisted strongly on this danger, and the French Government at length decided to refuse the Persian application, and though they have now consented to the engagement of Frenchmen, it is only on the clear understanding that these gentlemen are to be engaged merely as professors, and are to be attached to no Persian Ministry in any capacity whatever, a reservation which considerably diminishes the probability of inconvenient demands from Germany.

I have, &c.
G. BARCLAY.

[25669]

No. 4.

Sir G. Barclay to Sir Edward Grey.—(Received July 3.)

(No. 84.)

Sir,

Tehran, June 6, 1911.

THAT the American financial assistants, whose arrival was reported in the last monthly summary, have lost no time in getting to work, and that the Medjliss at least intends to support them is shown by the unanimous voting by the Medjliss on the 13th ultimo of a Bill, of which I enclose a copy, drafted by Mr. Morgan Shuster, the new Treasurer-General, for the control of the expenditure of the proceeds of the Imperial Bank's loan in accordance with the programme of expenditure recently approved by the Medjliss.

As you will observe, the new law abolishes the former Committee of Control established by the law of the 20th May (see my despatch No. 80), and pending the reorganisation of the Ministry of Finance, foreshadowed in the preamble, entrusts the control of the loan to a branch of the Ministry of Finance to be formed under the Treasurer-General's supervision.

I have, &c.
G. BARCLAY.

Enclosure in No. 4.

THE MEDJLISS, MAY 30, 1911.

Bill for the Control of the Loan Money.

The President.—"As the Ministers have come to the Medjliss, the Finance Committee's report regarding the Control Bill will be read."

The Bill, which had been submitted by the Government and approved by the committee, ran as follows :—

Preamble.

General and effective control in respect to the new loan from the Imperial Bank, and the expenditure specially provided for out of it, is the natural and particular duty of the Ministry of Finance. One of the greatest defects of the present financial administration of the Persian Government is the superfluous number of departments and minor sections. The most obvious result of this state of affairs is the difficulty in establishing the duties of each department and the responsibility attached to what each does. Therefore, it is obvious that to introduce a new system with undefined responsibilities, i.e., similar to the system we now have, would only increase the confusion now prevailing in our administrations.

Consequently, what is now necessary is that we should have a more simplified system which will give a better result, and not to add another room to the rooms of this administration.

The money produced by this loan is in no way different to the money realised by the Customs, the direct taxes, or the general revenues of the State. On the other hand, the control and special supervision over the collection and expenditure of a large sum is the duty of a department which must necessarily possess three important qualifications, viz., honesty, experience in finance, and definite responsibility. But is it possible that a committee of fifteen persons can fulfil the two last-mentioned conditions?

Some days ago the general control of Persia's finances was entrusted to a foreign employé who has the post of Treasurer-General, and who has come to Persia with his assistants to reform the financial administration. If we desire to render him responsible for the proper working of our financial administration we must, on our side, give him the required authority to carry out this difficult task.

The Treasurer-General has prepared a provisional scheme for the effective formation of the Ministry of Finance, and this scheme consists of the formation of three departments as follows :—

1. For the collection of Government revenue and taxes of all kinds.
2. For the control of expenditure of all kinds, and the keeping of the accounts pertaining thereto.
3. For banking affairs, the Mint, exchange relating to the loan, interest, sinking fund, &c.

The duties which it was proposed to entrust to the committee already referred to included the two last-mentioned points; but as the arrangements now proposed have not yet been put into execution, it is necessary to form a provisional branch in order to deal, during the next few months, with matters directly concerning the loan. This branch will be under the supervision of the Treasurer-General. As soon as the new arrangements for the Finance Ministry have been introduced, the accounts, papers, and reports of this provisional branch will be handed over to the new department of the Finance Ministry to which they pertain.

In view of the above considerations, the following Bill is laid before the Medjliss, with a request that it should be promptly approved and that its urgency should be recognised:—

Article 1. The general and effective control of affairs relating to the loan of 1,250,000*l.* made from the Imperial Bank of Persia, according to the law of the 5th April, 1911, and the control of the expenditure which has to be effected in accordance with articles 1, 2, 3, 4, and 5 of the law of the 20th May, 1911, is entrusted to the Ministry of Finance under the supervision of the Treasurer-General.

Art. 2. Until the new system has been introduced into the Ministry of Finance, control respecting the loan and the above-mentioned expenditure will be provisionally entrusted to a branch which will be specially formed under the supervision of the Treasurer-General.

Art. 3. At the end of every month the Ministry of Finance will include in his report presented to the Government a financial statement regarding the loan.

Art. 4. The branch mentioned in article 2 of this Bill will take the place of the committee referred to in the law of the 20th May, 1911.

After a short debate the Bill was passed unanimously.

[25671]

No. 5.

Sir G. Barclay to Sir Edward Grey.—(Received July 3.)

(No. 86.)

Sir,

Tehran, June 7, 1911.

I HAVE the honour to transmit, with reference to recent telegraphic correspondence, copy of a despatch from His Majesty's acting consul at Shiraz, reporting on the circumstances attending the arrest of Kawam-ul-Mulk and his brother Nasr-ed-Dowleh.

It will be seen that Mr. Knox's despatch, which has just reached me, was written a week before the attempt on the lives of the two Kawamis, which resulted in the death of Nasr-ed-Dowleh and in Kawam-ul-Mulk's seeking asylum at His Majesty's consulate.

I have, &c.

G. BARCLAY.

Enclosure in No. 5.

Acting Consul Knox to Sir G. Barclay.

(No. 19.)

Sir,

Shiraz, May 1, 1911.

WITH reference to recent telegraphic correspondence I have the honour to report on the circumstances attending the arrest of Kawam-ul-Mulk and Nasr-ed-Dowleh.

In the earlier attitude of the new Governor-General Nizam-es-Sultaneh, there had been little to indicate that he contemplated pursuing so vigorous a policy. From the moment of his arrival in Bushire he had passively accepted the dictation of Soulet-ed-Dowleh, and had even pushed this complacency to the extent of appointing his nominees, Amir-ul-Mulk and Mobayyen-es-Sultaneh to the governorships of Dashtistan and Behbahan. In the latter case, his action resulted chiefly in provoking lasting resentment among the Bakhtiari Khans, who claim to have special interests in this region, and who could not look with indifference on the establishment of a governor enjoying active Kashgai support so close to their own borders.

After leaving Bushire the Governor-General spent more than two months on the road, during which period he was to all appearances uniquely occupied with the

collection of arrears of rent on his own properties and of what bribery he could extort from the petty chieftains of the surrounding country. Meanwhile the Kawami faction in Shiraz were far from indifferent to the favour shown to their rival, and the inevitable reaction was apparent in the recrudescence of caravan robberies as soon as the Ispahan road opened to traffic after an exceptionally severe winter. On the 28th February Nizam-es-Sultaneh arrived in Kazerum, where he remained for more than a month, excusing this delay by a natural reluctance to enter Shiraz before some part of the arrears due to the 5,000 starving troops quartered here had been paid. He was met at this place by Mirza Mohamad Bagher, a confidential emissary of the Kawamis, who negotiated for his patrons the governorships of Lar, Darab, and Fesa for a payment generally stated to have been 20,000 tomans; Nasr-ed-Dowleh was at the same time confirmed in his office of commander of the forces.

After these concessions the Kawamis made some effort to safeguard traffic on the Ispahan road until the Governor-General's attack on Kamarej with Kashgai support gave them fresh ground for complaint. This district, a small but very fertile plain surrounded by precipitous mountains, lies on the main road some 20 miles south of Kazerum, and, if held by a sufficient force, is naturally almost impregnable. It has long been coveted as a stronghold by Soulet-ed-Dowleh, but the headman, one Mullah Khorshid, a son of negro slaves, has disregarded all his overtures or menaces and occupied himself only with strengthening his position and maintaining order within his small jurisdiction. Such an attack could therefore only be interpreted as another proof of Nizam-es-Sultaneh's subserviency to Soulet-ed-Dowleh.

The earlier assaults on Kamarej ignominiously failed, and it was at this juncture that Nizam-es-Sultaneh chose to arrive here, supported only by a force of 150 Kurds and Lurs. His first step was to disarm the townspeople in general and to take other stringent measures to ensure the maintenance of order inside Shiraz. His attitude towards the Kawamis was not cordial, and robberies soon broke out again in the immediate neighbourhood. These, however, were generally, and subsequent events lead me to think, with reason ascribed to Kashgais. Nasr-ed-Dowleh, as commander of the forces, was dispatched against the robbers and recovered part of the stolen goods, but did not succeed in securing the culprits. On the next day rumours reached me to the effect that the Governor-General was contemplating Nasr-ed-Dowleh's arrest, and that the latter would probably attempt to take bast in His Majesty's consulate. No overtures were, however, made. Two days later I received an official letter from Nizam-es-Sultaneh stating that he had entrusted the settlement of certain of our outstanding claims to Nasr-ed-Dowleh, who was shortly to start on an expedition to Fesa. On the same day Nasr-ed-Dowleh himself approached me on the subject of purchasing through a British firm 1,000 Lee-Netford rifles which he had been empowered by the Governor-General to procure. On the following morning Nizam-es-Sultaneh invited the two brothers, whose suspicions had thus been allayed, to lunch with him and they were then arrested.

The suddenness of this action forestalled all protest or unfavourable comment, and the large majority of the population, whatever their real feelings, were ready with true Persian versatility to take their cue and demand the immediate execution of the prisoners. Among the whole Kawami party no one ventured to question the Governor-General's action except the wife of Kawam-ul-Mulk, Lega-ed-Dowleh, who immediately after the arrest telegraphed to Sardar Assad begging for his help and has since continued daily to do so, playing with no little skill on the interests and vanities of this chieftain. Her son, Intizam-el-Mamalek, approached me with a view to taking bast on the 15th April, and after subsequent appeals through various channels and some anonymous prayers for merciful interference—among these one in a thinly disguised handwriting and somewhat uncommon English orthography of the acting karguzar—she sent a direct emissary to ask if she would herself be given sanctuary in the consulate. I explained in reply as clearly as I could, that my general instructions were to give bast to no persons unless their lives were in imminent danger, and that furthermore, under the present circumstances, when His Majesty's Government had invited the Persian Government to restore order in Fars, it was impossible for me, in spite of much personal friendship for the Kawamis, to take any action that could be construed as interference in measures set on foot to that intent by the constituted authority of the province. I have since received no further communications of this nature.

Following on the arrest, Nizam-es-Sultaneh, although supported only by his own small force and the regular troops who till then had been under the command of Nasr-ed-Dowleh, took full advantage of the first movement of panic and imprisoned

immediately all the more prominent members of the Kawami household and those of their friends who might be likely to stir up disorder in their favour.

During the first week after the arrest all their partisans observed the most respectful silence, but subsequently, as the first apprehension wore off, they saw that the opposition to the Governor-General in Tehran was beginning to bear fruit, and in anticipation of a possible release, they have since commenced tentatively to murmur against the arbitrary action of Nizam-es-Sultaneh. He from the outset has not hidden his determination to have the Kawamis tried by a properly constituted, though, no doubt, prejudiced court, on charges of murder, oppression, and conspiracy. In spite of orders to the contrary from Tehran one sitting of this court was held on the morning of the 20th April, and, in the absence of the accused, found them both guilty of the murder of Seyyid Ahmad Dashtaki and Sheikh Mohamad Bagher (reported in Mr. Grahame's diary of the 11th March, 1908). On the afternoon of the same day the Governor-General was summoned to a telegraphic conversation and further hearings were indefinitely postponed.

About this time rumour stated that it was intended to arrange the assassination of the prisoners on their way to the court, and on the 20th April, in accordance with the instructions contained in your telegram No. 36 of that date, I wrote privately to Nizam-es-Sultaneh, warning him that the success of his mission here might be imperilled by any hasty action likely to provoke hostility to him in Tehran. In reply Nizam-es-Sultaneh sent me a somewhat irrelevant message to the effect that he had heard with great pleasure from Tehran that I had expressed belief in the expediency of his action, and that his first desire was to devote himself to winning the approval of His Majesty's Government in his endeavours to restore order in Fars.

Some days later, when calling on me, the Governor-General stated that if he were obliged to release the Kawamis or exile them, he would immediately quit his post. On my pointing out to him that Zil-es-Sultan had exiled the Kawamis to Europe without prejudicing the success of his governorship, he replied that for two or three months everything had gone well until the Kawamis had succeeded in getting into communication with their partisans and provoked the murder of Mutamid-ed-Divan (please see Mr. Bill's diary of the 1st July, 1908), and a consequent recrudescence of disorders which, if the zil had not been obliged by other circumstances to leave Shiraz, would seriously have interfered even with his good administration of the province. To a hint that, if a public trial of the brothers were held, some attempt might be made to murder them, Nizam-es-Sultaneh answered assuring me that any investigation would be carried out most carefully with a strictly limited attendance, that no one carrying arms would be allowed in the vicinity of the court, and that he would ask myself as well as the various Government offices in Shiraz to send representatives to see that the trial was conducted with all impartiality.

Subsequently, when the opposition to his proposed action showed no signs of weakening, I thought fit, with your approval, to point out to him that misunderstandings with the central authorities, and further delay in reaching a settlement of the question, could not but prejudice his local influence, and that it would seem advisable that he should accept the terms now offered to him by the Cabinet. Nizam-es-Sultaneh expressed complete agreement with this view, but stated at the same time his very strong conviction that any course other than that which he had proposed to follow could not but end in the failure of his efforts to re-establish order in Fars. It was, in his opinion, certain that the Kawamis, if exiled to Europe, would inevitably be recalled to Tehran by their influential partisans, and would from there have a wider scope for intrigues in Fars than ever before. He repeatedly impressed upon me at the same interview that, should the central Government continue to refuse him their support, his mission here was doomed to an early failure, and that he took His Majesty's Government to witness that the policy which he had adopted and, to the best of his ability, attempted to carry out was the only sane course to be followed in Southern Persia. He further hoped that the British Government would not consider him responsible for an insuccess which was solely due to the interested opposition of certain persons in Tehran. He hinted that in addition to the open hostility of Sardar Assad other personal animosities were at work against him, since, to his mind, the sole intrigues of one whom he professes to consider as an empty talker rendered still further impotent by the dissensions of his family, could not rob him so effectively of the fruits of his endeavours.

Subsequently to this interview I have ventured to deprecate the offering of any further advice to the Governor-General, since this might be open to unfavourable interpretation, besides making little impression on his already fixed determination. Moreover, I am

personally of opinion, from the point of view of local interests at least, that Nizam-es-Sultaneh's energetic action, if supported by the central authorities, cannot but be as beneficial as it is rare in this country of half measures and compromise. As to the necessity for rendering permanently impossible a recurrence of the intrigues of the Kawami party, there can be only one opinion, and, to my mind, this result cannot be reached with any certainty of lasting efficacy by other means than those demanded by the Governor-General. It is no doubt difficult at this distance to appreciate the full force of those considerations which motive the opposition of the central Government to Nizam-es-Sultan's action, yet it would seem here that the increase of power accruing to Soulet-ed-Dowleh will not necessarily be so large as it is anticipated. It must be remembered that his support, though to some degree accessory, was by no means indispensable to the Governor-General's action, which was entirely carried out without any active Kashgai assistance. Furthermore, Soulet-ed-Dowleh himself was, to all appearances, not exempt from some share in the wholesome respect generally inspired throughout Fars by the suddenness of the blow. When, however, the population see that Nizam-es-Sultaneh has been forced to accord a grudging obedience to orders for Tehran, little will remain of this salutary spirit. It seems, moreover, likely that Sardar Assad's uncompromising attitude may go far towards consolidating the Kashgai guides under Soulet-ed-Dowleh in a more open opposition to the central Government. In the general questions of Fars politics, however, modifications so far-reaching have recently taken place that it is impossible before some solution of the existing deadlock be arrived at to appreciate with any accuracy their full significance.

Meanwhile the situation remains in the same strained position, with the added complications of the capture of Kamarej after a three week's siege, and the arrival near Shiraz of the Kashgai Ilkhani.

I have, &c.

G. G. KNOX.

[24777]

No. 6.

Sir G. Barclay to Sir Edward Grey.—(Received June 26.)

(No. 87.)

Sir,

Tehran, June 8, 1911.

WITH reference to my despatch No. 76 of the 15th May and to my telegram No. 190 of the 28th ultimo respecting the condition of the southern roads, I have the honour to report that during the past three weeks the general state of security continues to show a tendency to considerable improvement in comparison with the complete disorder of last year. It is true that the effects of recent anarchy make themselves felt in the scarcity of transport and a high rate of hire, and that consequently few caravans are passing, but I am glad to be able to report that those alluded to in my above mentioned despatch as having started from Shiraz for the north have arrived unmolested at Ispahan, bearing a quantity of merchandise belonging to Messrs. Ziegler.

Outside the depredations of the Kuhgelouis in the neighbourhood of Kumisheh, in regard to which the villagers and local farmers seem the sufferers, the only locality on the road between Bushire and Ispahan which for the moment is reported dangerous is Kamarej, a little distance north of Bushire, where the dispossessed Khan Mollah Khorshid is revenging himself by burning crops, and has robbed a caravan of eleven bales of carpets, the ownership of which is as yet unknown.

It is also to be noted that the spring emigration of the Kashgais, which last year was marked by an extensive destruction of telegraph material, passed this year in virtue of the special injunctions issued by Soulet-ed-Dowleh without causing any damage.

Leaving, therefore, out of the question the insecurity of the Ispahan-Tehran road, which is out of the sphere of any remedy we ourselves could supply, I do not consider that the evidence of any present lack of security on the southern roads is sufficient to justify an assumption that the special measures taken by the Persian Government have broken down, though, on the other hand, it must be confessed that the improvement observed is precarious, inasmuch as it cannot be attributed to any measures of the nature of an organised reform.

Whether the dispositions taken by the Nizam-es-Sultaneh in co-operation with the Soulet-ed-Dowleh are of more than transient efficiency can only be tested when Soulet has moved northwards to the Kashgai summer quarters, a movement which has already commenced, and when a satisfactory conclusion of the Kawami incident has left the hands of the Nizam free to develop whatever policy he intends to follow. The situation, however, created by the vigorous action taken by his Excellency towards the Kawamis is complicated and the outlook is obscure. The Bakhtiari tribe profess themselves deeply injured by the blow levied against their friends and protégés, and will be implacable in their endeavour to obtain the overthrow of the Nizam. It is suspected that they wish to employ Zeigham-ed-Dowleh, who has just been withdrawn from the governorship of Yezd, and who is the brother and enemy of Soulet-ed-Dowleh, as their instrument for displacing the latter, and the Zeigham's presence in Ispahan may be connected with a design to fall upon the Kashgais as they approach their summer quarters in the vicinity of the Bakhtiari country.

Such a scheme could not well be successful unless favoured by the Central Government, but the influence of the Bakhtiaris at Tehran may lead the Sipahdar to lend his support to the project. I have, however, frequently pointed out to the Minister for Foreign Affairs the dangers of renewed chaos on the southern roads which might attend any upset of the existing authorities in Fars as the result of tribal intrigues.

Colonel Cox is of opinion that the Nizam should be upheld in his office for the present, and that his resignation or his failure to maintain his post should be regarded as the final failure of the special measures taken by the Persian Government, and that, in view of the pressing demands of British commerce for freedom of transit, His Majesty's Government would not be warranted in awaiting the opening of the further chapter of disorder which would probably result from the substitution of Zeigham for Soulet-ed-Dowleh and the downfall of the Nizam.

I agree with Colonel Cox as to the desirability of upholding the Nizam as long as possible, but that his downfall, which, in view of Bakhtiari hostility, may not be remote, should necessarily be in itself the signal for our insistence on the adoption of our scheme for the policing of the Bushire-Ispahan road is a recommendation I am hardly at present prepared to endorse. Our insistence would certainly encounter the most stubborn opposition—it would, indeed, I fear, upset any Cabinet that showed a disposition to yield—and I think it would be useless to press the Persian Government to accept our scheme until we are prepared to take such measures as may be necessary to enforce its acceptance and execution. I presume we shall not be prepared to face the risk of having to take these measures until we are satisfied that the disorders on the road are killing our trade with Persia. Since I presented the note of the 14th October, apart from the improvement there has been on the Bushire-Ispahan road, customs statistics have been issued, from which it might be argued that general British trade with Persia is far from being in a desperate case. The statistics I refer to are those of the customs receipts at the different southern ports for the ten months ended the 21st January last (see my despatch No. 19 of the 20th February). These show that, while it is true that the Bushire receipts have fallen off as compared with the same period in the previous year (274,000 tomans as compared with 335,000 tomans), those at Bunder Abbas and Mohammerah show an increase (161,000 tomans and 262,000 tomans respectively as compared with 117,000 tomans and 166,000 tomans). I have seen it stated that the increase at Mohammerah is principally due to the imports of machinery for the Anglo-Persian Oil Company, but it should be remembered that the company's imports do not pay duty, so that they do not figure in the customs receipts, and the increase noted at Mohammerah would seem to show that traders are finding some compensation at least for their difficulties on the Bushire-Ispahan road. The downfall of Nizam-es-Sultaneh would doubtless be followed by a recrudescence of disorders on the latter road, but I think that, before we abandon the patient attitude we have hitherto observed, we ought, at any rate, to re-examine the position in the light of the most recent customs statistics.

I have, &c.
G. BARCLAY.

[25672]

No. 7.

Sir G. Barclay to Sir Edward Grey.—(Received July 3.)

(No. 88.)

Sir,

Tehran, June 9, 1911.

IN my telegram No. 153 of the 4th ultimo I had the honour to report that His Majesty's consul at Ahwaz had informed me of the conclusion of an agreement arrived at between the Anglo-Persian Oil Company and the Bakhtiari khans respecting the subject of land acquisition. I now enclose copy of a despatch from Mr. Ranking forwarding a copy of the agreement in question together with his observations on it and the negotiations which led to its conclusion.

Mr. Ranking in the twentieth paragraph of his despatch points out the need of erecting at once the boundary pillars mentioned in the agreement, for until this is done it will be difficult to bring home to the Bakhtiari khans any cases of trespass on the part of their rayots. I concur in Mr. Ranking's recommendation, and hope that the company may be urged to undertake the work immediately.

The conclusion of this agreement reflects in my opinion great credit on Mr. Ranking, who seems to have conducted these difficult negotiations with much skill, and I venture to hope that his action may be considered to merit an expression of your approval.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 7.

Consul Ranking to Sir G. Barclay.

(No. 22.)

Sir,

Ahwaz, May 7, 1911.

IN continuation of my telegram No. 9, dated the 3rd May, 1911, from the oil-fields, I have the honour to forward herewith, for your Excellency's information, a copy in Persian, together with a rough translation of same, of the agreement arrived at between the Anglo-Persian Oil Company and the Bakhtiari khans regarding the land acquisition question.

Before dealing with the agreement itself it may not be devoid of interest to briefly review the main features of the negotiations, which culminated in its signature.

On the 6th February, 1911, before leaving Ahwaz, Mr. Greenway, managing director of the Anglo-Persian Oil Company, handed me a memorandum regarding the land question, in which he says that the company is willing to pay up to 23½ tomans per jarib for the lands of Maidan-i-Nafthek, Maidan-i-Naphtun, Tembi pumping station, pipe-line, and road, and on this basis a maximum sum was worked out, up to which limit Dr. Young, the company's representative, was empowered to act. Unfortunately, however, when computing this maximum sum, the company had no idea as to the correct area of the lands they wished to take up, and having very much underestimated it, a maximum was arrived at which was absolutely inadequate to meet the case. Just before the negotiations Dr. Young, after consultation with Mr. Lamb, the managing agent of Messrs. Strick, Scott, and Co., Mohammerah, and myself telegraphed to London asking for a higher limit, which was fixed at 18,000l.

On my arrival at the oil-field on the 13th April, prior to the arrival of the Bakhtiari khans, the situation which I found was one of disgraceful unpreparedness, owing, I have not the slightest doubt, to proper orders not having been issued by those whose duty it was to issue orders as to what was required in the way of maps, &c.

The map of the road, of which frequent mention has been made, was not ready, and is not even ready to the present day, except in the form of a traverse in pencil, tracings of the maps of the lands to be acquired were not available, and the only areas which were ready, when I asked for the areas of the maidans, &c., to be acquired, were those of Maidan-i-Naphtun; the remainder I was only able to get by going myself to the surveyor's tent and sitting beside him while he worked them out.

The Bakhtiari khans arrived at the oil-field on the 17th April, and, after riding round the boundaries of the tract of land which the company wished to acquire, which in itself took two mornings and an afternoon to do, the negotiations were commenced.

I may here say, *en passant*, that even I had no idea of the immensity of the tract which the company wished to acquire till I went round the boundaries of the two maidans myself, the perimeter of which I am given to understand is about 25 miles.

[1505]

D

The Bakhtiari khans commenced by stating that the company could take up just as much or as little as it liked, and of the lands taken up cultivated was to be paid for at the rate of 50 tomans per jarib, and hill tracts at the rate of 5 tomans per jarib, which rates, when applied to the area of land required by the company, produces a total sum, in round numbers, of 63,000*l*.

Every possible argument was used, but the khans refused to abandon their contention that all flat lands were of equal value, and must therefore be paid for at one rate, and on reference to the company's surveyor, Mr. Scott, late survey department, India, it appeared that the lands classed as new fallow were those which the Ilyat were in the habit of cultivating every alternate year, while even those lands classed by us as old fallow, had been cultivated within quite recent years, and in some cases areas shown as "old fallow" in last year's survey were under crop this year.

As regards the hill tracts the khans were equally firm; their contention being that these tracts were of value to the Ilyat as grazing ground, and that there was nothing in the Preece agreement saying that these lands were to be given free. They said that they were perfectly ready to give the land if the company required it as laid down in the agreement, but that if the company took up this land to the exclusion of the Ilyat they must pay for it.

Unfortunately, it is perfectly true that the word "free" does not appear in this connection, and further, that the word in the Persian text, translated in the English by the word "give," does not imply "free gift"—this contention, however, regarding payment for hill tracts was resisted to the utmost.

The question of payment for hill tracts proved the knotty point, and ultimately caused the breakdown of negotiations; nor was it possible to get round the difficulty by not taking up any hill tracts, this being undesirable from one point of view and impossible from another, that is to say, undesirable, because these hill tracts are oil-bearing land, and impossible on account of the topographical configuration of the ground.

On the 23rd April the maximum limit granted to Dr. Young was reached and *ipso facto* the negotiations broke down.

The Bakhtiari khans refused to accept the maximum-limit-sum—18,000*l*.—as a lump sum payment, or even any lump sum, stating that any payment made must be at a rate per jarib.

When negotiations broke down the khans had been beaten down to 25 tomans per jarib for all flat lands, and 5 tomans per jarib for hill tracts, which rates produce a total sum of 38,000*l*. for the total area required.

On the breakdown of negotiations the khans made plans to leave the oil-field as soon as possible, i.e., on the 26th April, being under invitation to a tent-pegging display on the afternoon of the 25th April; however, as it was inadvisable, for fear of future trouble, that the khans should leave the oil-field without some definite understanding one way or the other having been come to, that same evening—the 23rd—I made an opportunity of speaking to the Sardar Muhtesham alone after dinner at the field manager's house, and persuaded him to stay pending a reference to London, and further used my influence with him with a view to getting him to acquiesce to a price of 20 tomans per jarib for cultivated land, and 3 tomans per jarib for hill tracts, after deducting two-thirds of the area of the said hill tracts. This proposition I used my utmost endeavours to get the Sardar to accept, having a specific purpose in view. The reason being this, the total hill area, less two-thirds, is almost equivalent to the area of the cultivation.

Having once got the Sardar Muhtesham to consider the question, and having got him to promise to try and get the Sardar-i-Bahadur to likewise consider it, I put another proposition to him, which was to fix a price of 23 tomans on all cultivated lands and throw out the grazing and hill tracts, which proposition, however, the Sardar refused to give me any promise, even to consider, without first consulting the Sardar-i-Bahadur.

The proposition would have worked out to slightly over 22,000*l*. for the area required by the company.

Next morning, when I was accompanying the khans on a visit to the Tembi pumping station, they formally agreed to stay, and to transact any other outstanding business, pending receipt of an answer from Messrs. the directors in London.

The next occasion when the land question was reverted to was on the 27th April, when the khans said that they had thought the matter over and that the very lowest they could accept would be 24,000*l*. That same evening Dr. Young informed me that if I could get the khans to accept 22,000*l*., if possible in instalments, he empowered me

to close. The next day the khans were visited, and after some discussion the Sardar Muhtesham agreed to accept the sum offered on one condition, viz., 20,000*l*. was to be paid for the land acquired, and 2,000*l*. was to be paid to himself and the Sardar-i-Bahadur, as the agents and negotiators for the sale of said lands. The Sardar-i-Bahadur agreed to the proposition in this form, and the question of price was closed. As regards the question of payments by instalments, at that meeting and at one that same afternoon they refused, but agreed next morning, when I went to see them, to take payment of the 15,000*l*. (i.e., 20,000*l*. less 5,000*l*. paid last year) in two instalments, one of 10,000*l*. on the 1st June, and the second, of 5,000*l*. on the 1st September.

Now as regards the agreement. Let us first examine what has been acquired and the price paid for it.

6131.38 acres, or over 9½ square miles of territory have been acquired for the sum of 20,000*l*., which sum, if applied to this total area produces a rate of 3*l*. 4*s*. per acre, or 51.2 krans per jarib, or if it be applied only to land under crop and new fallow in the area, produces a rate of 16*l*. 2*s*. per acre, that is to say 18*s*. per acre less than the last recourse limit (17*l*. per acre), given by Mr. Greenway, which for greater secrecy he had not had typed in the body of his memorandum, mentioned above, but had written in at the end in German in his own handwriting.

As a matter of fact the company has acquired more than 9½ square miles of territory, for road extensions and diversions were not computed when making up the area statements, but are embraced by the agreement; and in my opinion the company has got a bargain, the value of which it will recognise in future years.

When drawing up the agreement, it was attempted to fix some rate applicable to future transactions, but this the khans steadfastly refused to do, so the point had to be dropped. Under the agreement the company obtains full proprietary rights, within its own boundaries, with full right to make use of such water power, &c., as may be there-within, and moreover the Bakhtiari khans hold themselves responsible in case of other claimants to the said lands arising.

Other points will be found by reference to the agreement itself, which has been made as comprehensive and solid as it is possible to make it.

One point I would press on the notice of the oil company, and that is that the boundary pillars, mentioned in the agreement, be erected with the utmost speed, for, in my opinion till this is done, the company cannot in justice hold the Bakhtiari khans responsible for any trespass on the part of their rayots, for the Lurs will always have the ready answer that there were no pillars, and that they did not know where the boundary lay.

On the 1st May, prior to the signature of the agreement, the marginally noted head-men of the sub-tribes,* having their habitat in the lands now the property of the company, were called up and in the presence of the company's representatives and myself were warned that they would have to vacate and of the severe consequences entailed by trespass on or interference with the company's lands. At the same time (1) an order to all the tribes (rough translation attached herewith), (2) an order to the inhabitants of Batwand (rough translation attached herewith), (3) an undertaking from the khans regarding their responsibility in the event of the Kili seyids claiming ownership of the Masjid Suleiman (Maidan-i-Naphtun) lands (rough translation attached herewith), (4) an order to Agha Hyder of the Babrsat sub-tribe from the khans, and also his undertaking *vis-à-vis* the company countersigned by the khans, were all obtained from the khans and handed to the company's representative, Doctor Young. It should be noted that Agha Hyder has been appointed sole head of the guards, and it is to be hoped that this appointment may make for the more satisfactory working of the guarding arrangements.

In conclusion, I would express my deep sense of gratitude to Mr. G. B. Scott, late survey department, Government of India, surveyor to the Anglo-Persian Oil Company for the invaluable assistance he has rendered me during the course of negotiations by his intelligent foresight and ready and willing execution of all requests in connection with maps, area statements, &c., required, and for his untiring energy in getting completed by the end of negotiations maps, which were absolutely necessary and which were uncommenced at the beginning.

I would likewise express my thanks to Dr. Young, for all the assistance which he has rendered me, and I would here state that in my opinion he has rendered the

* Agha Hyder, of the Babrsat sub-tribe, and Sheikh Waes of the Alaswand, Abdul Karim of the Sheheni, Agha Sultan and Mashti Hassan of the Nasir sub-tribes.

company a signal service during these negotiations, the value of which will be apparent in years to come.

It is interesting to note that the fields manager, in conversation with me, stated that he thought 50,000*l.* would not have been an excessive sum to pay for the lands now acquired, and as a relative matter of prices stated that a few years ago 27 acres of oil land were sold for 500,000*l.* in Baku. During the course of negotiations I learnt that the Bakhtiari khans had been in communication with all sorts of persons, Russians, and others, regarding the relative price of oil-bearing lands. Incidentally, I learnt that they had been in communication with Edward Kitabji, who had impressed on them that it was the invariable rule in such transactions that the owner of the land had to be satisfied, whatever price he liked to ask.

Be it said to the credit of the Sardars that during these negotiations they behaved themselves like gentlemen, although, as I expected, they had been well tutored by Yussuf Khan, Amir-i-Mujtehed.

Considering the fact that they are orientals and were selling the property in which the company had sunk 1,500,000*l.* and which they know the company must buy and could not retreat from, I consider that they behaved with great forbearance and better than some western owners might have done under similar circumstances, when in such a strong position with regard to the sale.

Throughout the negotiations, though firm in matters in which they considered their rights were affected, the khan's general attitude was a very just one, though I have not the slightest doubt, from what I know of their characters and from what I observed during the course of negotiations, that had not a settlement been arrived at, that subsequent trouble was to be expected, if not even a foregone conclusion.

Considering the whole case I trust that the present settlement meets with your Excellency's approval and will be considered a just one both to the Bakhtiari khans and also to Messrs. the Anglo-Persian Oil Company.

I have, &c.

J. RANKING, Lieutenant, I.A.,
Assistant Resident, Ahwaz.

Enclosure 2 in No. 7.

Land Agreement with the Bakhtiari Khans.

(Translation.)

THE object of this *aide-memoir* is as follows:—

In accordance with the agreement executed on the 15th November, 1905, at Shalamzar, the Sardar Muhtesham, Ilbeggi, and the Sardar Bahadur (the latter acting for the Samsam-us-Salatana Ilkhani), personally on their own behalf, and as agents for the Bakhtiari khans (on a power of attorney which they possessed, and have handed over to the company) have sold all, and in their entirety, the Maidan-i-Naphtun, Maidan-i-Naphtek, Tembi, the cart, pipe-line and telephone roads, the boundaries of which are defined on a map, and are demarcated by stone and gatch pillars which the Khans have approved of and accepted.

The above lands are possessed by the Bakhtiaris, and they have been sold with all that is appertaining thereto, together with such springs, streams, &c., that may be therein to the Bakhtiari Oil Company, and the First Exploitation Company for the sum of 22,000*l.*

Of this sum 5,000*l.* has been advanced to the Amir Muffakhan and Amir Mujtehed last year; an instalment of 10,000*l.* will be paid on the 1st June, 1911; a second instalment of 5,000*l.* will be given on the 1st September, 1911, and a sum of 2,000*l.* will be paid (together with the first instalment) to Sardar Muhtesham and Sardar Bahadur, as the negotiators and agents for the said lands. All these sums to be paid in Persian currency in Ispahan.

Therefore, the above-mentioned and defined lands hereby become the absolute property of the company, and they have entire proprietary rights over the said lands; to drill wells, to erect machinery, to build houses, to cultivate the land, and to make gardens, &c., and also to utilise any water power of springs or of rivers which may be therein.

The rights under this agreement shall remain in force until the expiry of the Imperial concessions, after which the land and the houses will revert to the khans.

No one of the Lurs has any right to lodge complaint, to interfere, to prevent (*i.e.*, exercise of rights) or to claim ownership of the above-mentioned lands.

Should there occur danger, damage, or loss of any kind to the company, through the agency of any obstructors or any claimants of the land, the khans are responsible for the indemnification for same.

Moreover, no one of the Bakhtiari khans shall have any right to make any further monetary claim in connection with this transaction, and should any one of them do so, it shall be disregarded.

Further, in the future, any Lurs who have hitherto inhabited and cultivated these lands, shall have no right to do so, or to graze their flocks and cattle within these boundaries.

And thus also any Lurs inhabiting the neighbourhood of the said lands shall have no right whatever to enter, to cultivate, or to graze their flocks and cattle within these boundaries.

Should they come and transgress the boundaries or disregard the rights of the company, or cause any damage, the khans shall be held liable in compensation for same.

The maps in which the boundaries of the above-mentioned lands and maidans are defined, have been executed in duplicate: one copy has been accepted and sealed by the khans as correct, and handed over to the company: the other has been signed by the company and handed over to the khans.

The land for the pipe-line and telephone commences from Maidan-i-Naphtun and ends at the Bakhtiari border, at which place the company have built an "umbar" (a shed), the length of this being 17 miles, and the breadth 12 English yards. This also the cart road, which extends from Maidan-i-Naphtun to the Bakhtiari border, is 25 miles in length and 11 English yards in breadth.

A jarib shall be held to mean a piece of land measuring 25 × 40 "Shah" zars, which according to Persian calculation amounts to 1,000 square zars, each zar being the equivalent of 42 English inches.

Furthermore, it is hereby agreed that the company shall not construct any forts for military purposes.

Dated 1st May, 1911, being the equivalent of Jamad-ul-Awal, 1329.

(Sealed) GHULAM HUSSEIN, Bakhtiari,
SARDAR MUHTESHAM.

(Sealed) JAAFER KULLI, Bakhtiari,
JAAFER KULLI, ditto.
SARDAR BAHADUR.

For Bakhtiari Oil Company:
For First Exploitation Company,
M. Y. YOUNG.

Enclosure 3 in No 7.

Power of Attorney.

(Translation.)

THEIR Excellencies Sardar Muhtesham and Sardar Bahadur are hereby appointed the agents for fixing the price of, and concluding the negotiations for, the sale of the lands in which the company have erected machinery and have laid a pipe.

They are empowered to effect the sale of the lands in whatever manner they deem fit and advisable and to transmit the price thereof.

Whatever settlement they have arrived at shall not be disputed and shall be regarded as correct.

(Sealed) NAJAF KULLI, Samsam-us-Salatana,
ALI KULLI, Sardar Assad.
LUTF ALI, Amir Muffakhan.
KHUSRO, Sardar-us-Zaffar.
NASSIR, Sardar-i-Jang.
JUSSUF, Amir-i-Mujtehed.

25th Zilhijeh, 1328 (1910).

Enclosure 4 in No. 7.

Khans' Order to Batwandis.

(Translation.)

WHENEVER the officers or the employes of the company pass through the Batwand district you must show them every regard.

Whenever they desire to pitch a tent or camp, you have no right at all to put any hindrance in their way or give them any trouble, but you must show them greatest respect.

Should they require water you must give it to them.

Should any of you disregard or transgress these orders you will be most severely punished.

Dated Jamad-ul-Awal 1329 (May 1911).

(Sealed)

GHULAM HUSSAIN.
JAAFER KULLI.

May 1911.

Enclosure 5 in No. 7.

Bakhtiari Khans' Undertaking re Kili Seyyids.

(Translation.)

SHOULD the Kili seyids claim ownership of the lands which we have sold to the oil company their claim shall be null and void, and they shall have no right to put any hindrance in the way of, or give any trouble to, the oil company.

Should they have anything to say in this connection, we shall hold ourselves responsible for questions or any replies required.

Under any circumstances the responsibility rests with us, and the company is in no way concerned therewith.

Dated Jamad-ul-Awal 1329 (May 1911).

(Sealed)

SARDAR MUHTESHAM.
JAAFER KULLI, *Bakhtiari*.
SARDAR BAHADUR.

[25673]

No. 8.

Sir G. Barclay to Sir Edward Grey.—(Received July 3.)

(No. 89.)

Sir,

Tehran, June 9, 1911.

WITH reference to my letter to Mr. Mallet of the 5th August, 1909, his reply of the 10th September, and your despatch No. 135 of the same date, I have the honour to transmit copy of a despatch from His Majesty's consul at Ahwaz relative to the attitude of the Anglo-Persian Oil Company towards the Bakhtiari khans as regards the arrangements for the sale of the oil produced in the oil-fields at Masjid Suleiman.

I spoke more than once to Mr. Preece during his recent stay in Tehran on the desirability of fair dividends for the two companies in which the Bakhtiari khans have been assigned shares, and I always found him in full agreement with me.

I am loth to believe that the Anglo-Persian Oil Company will be so short-sighted as to adopt the course apprehended by Mr. Ranking, which would deprive the khans of their main incentive to facilitate the operations of the company. It would moreover, I need hardly say, react unfavourably on our own relations with the khans.

I have, &c.

G. BARCLAY.

Enclosure in No. 8.

Lieutenant Ranking to Sir G. Barclay.

Sir,

Ahwaz, May 7, 1911.

IN continuation of my despatch No. 5, dated the 27th January, 1910, I have the honour to inform your Excellency that the opinion which I formed last year would appear to be a correct one. Just before my present visit to the oil field, and again

since I have been here, I have heard it stated that the oil produced in the field by the Bakhtiari Oil Company and the First Exploitation Company, which are the only companies working oil in the Bakhtiari country at present, will be sold by them at cost price to the Anglo-Persian Oil Company, and that their accounts will be so adjusted as to maintain an equilibrium between credits and debits, by which arrangement it is patent that these companies will show no profits, and that the shares of the said companies will pay no dividends—such profits as may be made being absorbed by the Anglo-Persian Oil Company.

As stated in my above-quoted despatch, this question is one which can only be determined with certainty when the Anglo-Persian Oil Company has commenced the production of, and has found a market for, its oil, but should such an arrangement be actually put in force I have grave doubts as to its rectitude, *vis-à-vis* the Bakhtiari chiefs, in whose land the crude oil is actually produced, and who are shareholders in such companies as are formed to work oil in their territories.

I have, &c.

J. RANKING.

[25674]

No. 9.

Sir G. Barclay to Sir Edward Grey.—(Received July 3.)

(No. 90.)

Sir,

Tehran, June 9, 1911.

IN my despatch No. 69 of the 15th ultimo I reported that my Russian colleague and I had repeated our invitation to the Persian Government to appoint a Persian delegate to take part in the joint commission which is about to visit the western frontier districts of Azerbaijan.

Subsequently, it came to the Russian Minister's knowledge that Rifaat Pasha had stated that the Persian delegate would not be allowed to enter Turkish territory. This would have involved, if the solidarity of the commission was to be maintained, the abstention also of the British and Russian delegates from entering Turkish territory, and under instructions from our Governments my Russian colleague and I advised the Minister for Foreign Affairs on the 4th June not to appoint a Persian delegate, and informed his Excellency that the British and Russian delegates would start on the proposed tour at once. His Excellency made no demur, and we therefore sent instructions to the two delegates to start. A paraphrase of my telegram to Mr. Shipley is enclosed herewith.

The two delegates left Tabreez yesterday.

I have, &c.

G. BARCLAY.

Enclosure in No. 9.

Sir G. Barclay to Consul Shipley.

(Telegraphic.) P.

Tehran [Undated].

IN consequence of an intimation from the Porte that permission would not be given to the Persian delegate on forthcoming tour to enter Turkish territory, Russian Minister and I, having received no reply to our invitation, have advised the Persian Government to abstain from appointing a delegate.

In these circumstances, it is unnecessary to delay departure of commission any longer, and you should arrange with your Russian colleague to leave Tabreez as soon as possible.

Instructions to allow the two delegates to enter into Turkish territory have been sent to the Turkish local authorities by the Porte. While on Turkish territory, however, your respective escorts will be replaced by a Turkish guard. I must leave it to you how to arrange for your escort to meet you again when you return to Persian territory.

While reporting jointly with Russian representative on the matters which form the special object of the tour, you are free also to furnish a separate report on any matter of general interest which may call for your attention.

[24778]

No. 10.

Sir G. Barclay to Sir Edward Grey.—(Received June 26.)(No. 93.)
Sir,*Tehran, June 12, 1911.*

WITH reference to my telegram No. 212 of to-day, respecting the invasion of His Majesty's consulate at Shiraz on the 10th June by a number of Persian soldiers, which resulted in a fight between these and the consular sepoy guard, in which one Persian soldier was killed and two mortally wounded and one Indian sowar was severely wounded, I have the honour to transmit copies or paraphrases of telegrams which have passed between His Majesty's consulate at Shiraz and His Majesty's Legation in regard to this incident.

I do not enclose those of Mr. Knox's telegrams which have already been repeated to you in my telegrams Nos. 204, 206, 209, and 210.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 10.

Consul Knox to Sir G. Barclay.(No. 154.)
(Telegraphic.) P.*Shiraz, June 10, 1911.*

I HAVE a strong suspicion, although I am as yet not in possession of any positive proof, that this morning's incident was at least in some degree instigated by Nizam-es-Sultaneh. I am only able to report, as established facts, that the Governor-General did not attempt to restrain the troops, and that the officers only arrived some fifteen minutes later than the men in the neighbourhood. An inadvertent remark of Governor-General's servant showed me, however, that it was well known at the palace where the soldiers were going when they started out. Half-an-hour elapsed after the incident before any cavalry were sent. I am further informed by the chief of guards sent by the Nizam that the troops were being invited to come to the consulate and create disorder by a seyyid. This individual has been arrested, and I understand that the Governor-General will try to ascertain by whom he was employed.

An attempt was made to enter the consulate in the rear after the fighting at the main gate. Assailants were, however, driven out without casualties.

Sowars and sepoys showed admirable coolness, and I consider that it is due to their behaviour that the incident did not prove still more serious.

Enclosure 2 in No. 10.

Sir G. Barclay to Consul Knox.(No. 102.)
(Telegraphic.) P.*Tehran, June 10, 1911.*

IS your suspicion based only on the ground mentioned in your telegram No. 154 of to-day or are there also other grounds?

Was the troops' pay already so long outstanding as by itself to justify the apparent effort to take bast at His Majesty's consulate? This point is certainly not without interest.

Enclosure 3 in No. 10.

Consul Knox to Sir G. Barclay.(No. 156.)
(Telegraphic.)*Shiraz, June 10, 1911.*

IMMEDIATELY after this morning's incident I informed the Governor-General officially of what had occurred. I have subsequently reminded him of my previous notification of his responsibility in the event of danger to foreign subjects, and have requested him, if there is to his mind any possibility of such danger, to provide all foreign subjects with adequate and reliable guards.

So far as I can judge for the moment, Persian soldiers may very possibly remain quiet. I think, however, that it would be advisable to have them disarmed. If you concur, should I make representations in this sense locally?

Enclosure 4 in No. 10.

Sir G. Barclay to Consul Knox.(No. 103.)
(Telegraphic.) P.*Tehran, June 11, 1911.*

REFERENCE to your telegram No. 156, dated the 10th June.

I cannot authorise you to demand a general disarming of the troops in Shiraz.

Assuming, however, that your proposal refers to the disarming of the particular regiment which invaded the consulate, I see no reason why you should not suggest the advisability of this step privately to Nizam-es-Sultaneh.

Enclosure 5 in No. 10.

Consul Knox to Sir G. Barclay.(No. 157.)
(Telegraphic.) P.*Shiraz, June 11, 1911.*

IN continuation of my telegram No. 156 of the 10th June, I have the honour to report that Nizam has informed me that although it was the negligence of the sepoys which led to the incident, he has nevertheless taken the necessary steps whereby the protection of British lives and property will be ensured.

Since telegraphing last, other circumstances have come to my knowledge which tend to show that the soldiers had an object other than that of taking bast in the consulate. It appears that one Persian guard attached to the consulate, and who belonged to the regiment in question, endeavoured to restrain the soldiers on their arrival. He was severely beaten by his fellow-men with rifle-butts before any shot had been fired.

Consulate munshi has been warned by officer of the same regiment, whom he knows well, not to show himself in the town for a few days. This officer also stated to munshi that he has proofs that the incident had been engineered.

A great many Persians, locally, maintain that Governor-General instigated the whole matter; others merely deplore the folly of the soldiers, who ought to have realised what the inevitable result of their action would be. I have not heard throughout the day any unfavourable comment on the action of the sepoys.

I should be glad to receive instructions as to how Nizam's communication should be answered. Ought it to contain any reference to notification to which I alluded in my telegram No. 94 of the 10th May, or to his failure to hold soldiers in check?

Enclosure 6 in No. 10.

Sir G. Barclay to Consul Knox.(No. 104.)
(Telegraphic.) P.*Tehran, June 11, 1911.*

IN reply to your telegram No. 157 of to-day, you should inform the Governor-General that no blame for the affray at the consulate can be attached to the sepoy guard. You should also express satisfaction on learning that his Excellency is taking measures whereby the lives and property of British subjects will be protected.

Enclosure 7 in No. 10.

Consul Knox to Sir G. Barclay.(No. 160.)
(Telegraphic.)*Shiraz, June 11, 1911.*

AS regards the suspicions mentioned in your telegram No. 102 of yesterday's date, I have the honour to report that the soldiers had forty days' pay owed them, and some of them were under orders to set out for a distant district shortly. My informant was the commander of the forces, who added that he had awaited the arrival of a member of the anjuman before paying the men; the officers, however, incited their men to start.

The officer who spoke to my mirza—in this connection please refer to my telegram [1505]

No. 157 of this morning—says that when the troops were starting from the square they saw the money being brought by the servants of the commanding officer, and knew that it was their pay, but they none the less advanced. The officer added that the main instigators of the troops were a seyyid, a non-commissioned officer who had lately had private interviews with the commander, and by some twenty civilians. He is also of opinion that it was their intention to make a serious effort to gain access to the consulate in the rear. It is reported that many armed men had been posted in that direction. In fact, three men were actually found scaling the wall there, but upon the sepoy guard firing at them they retreated. There are trees just there which makes it impossible to be certain, but the men were believed to be troops. It seems unlikely that they belonged to the same regiment, as the two points are far distant, and a long detour must be made to go from one to the other.

The wife of the kawam has telegraphed to the Regent that among the soldiers were many kashgai in uniform. I have no corroboration of this, although I have seen her telegram. It might add, however, that by Persian habits it would be no unlikely thing on drill days to find in the ranks a sprinkling of riff-raff.

Enclosure 8 in No. 10.

Consul Knox to Sir G. Barclay.

(No. 162.)

(Telegraphic.)

Shiraz, June 12, 1911.

REFERENCE to your telegram No. 103 of the 11th June.

I am informed privately by Nizam-es-Sultaneh, through the intermediary of the Karguzar, that the regiment which attempted to break into the consulate will be disarmed. His Excellency has asked me not to allow the sowars or sepoys to show themselves in the town for a short period.

As soon as the incident had occurred, I had, however, given instructions to this effect.

[25677]

No. 11.

Sir G. Barclay to Sir Edward Grey.—(Received July 3.)

(No. 94. Very Confidential.)

Sir,

Tehran, June 13, 1911.

SUPPLEMENTING my telegrams Nos. 201 and 205 of the 9th and 10th instant respectively, I have the honour to report that I heard indirectly on the 9th instant that Mr. Morgan Shuster, the Treasurer-General, who had been received in audience by the Regent the previous day, had derived from his Highness's language the impression that his Highness had made up his mind to go on leave, and that it was his ultimate intention to resign. It was clearly my duty to discourage the departure of the Regent, whose presence in Tehran is practically the only factor which makes for some stability in the Government, and I decided to send him a private message telling him that it was being said that he was about to leave Persia, and expressing the earnest hope that there was no truth in the story, and adding that I should look upon his resignation as little short of a calamity.

I informed M. Poklewski of my intention, and he decided to join me in my action.

Our message was delivered to his Highness on the 10th by Major Stokes. His Highness expressed his deep appreciation of our friendly message. He would not lightly reject such advice, but the situation was full of difficulties. In the Cabinet there were serious dissensions. He had spoken plainly to the Ministers, and had demanded a cessation of these dissensions, pointing out that he must have a stable Cabinet for at least six months if the country was to be saved. He had told the Medjliss privately early in the week that he contemplated going on short leave, but he had now decided to stay and see what effect his advice to the Cabinet would produce.

Speaking of the Medjliss, his Highness said it was split up into numerous cliques, which, in pursuing a variety of minor interests, were causing disorders in the provinces. One clique was opposed to the Bakhtiaris, and encouraged Sowlet-ed-Dowleh to be

aggressive; another was in Sowlet-ed-Dowleh's pay; a third urged the Bakhtiaris to move against Sowlet-ed-Dowleh, and so on. This kind of thing made government impossible.

His Highness then alluded to the reduction by the Medjliss of his civil list from 200,000 tomans to 60,000 tomans. He said he had been much hurt by the Medjliss voting this reduction without his having been consulted. He intended to address a letter to the president, pointing out the incorrectness of this procedure. If slights such as these were put upon him, and if his advice was disregarded, he could not stay on, but he begged Major Stokes to assure my Russian colleague and me that he would not allow his departure from Tehran to come as a surprise to us.

I have, &c.

G. BARCLAY.

[25678]

No. 12.

Sir G. Barclay to Sir Edward Grey.—(Received July 3.)

(No. 95. Confidential.)

Sir,

Tehran, June 13, 1911.

WITH reference to my despatch No. 84 of the 6th June, I have the honour to transmit herewith an English text of a further Bill submitted to the Medjliss on the 8th instant, and passed practically with unanimity and without modification at to-day's sitting.

The twelve articles contained in the Bill were originally drafted by Mr. Morgan Shuster, and translated into Persian for submission to the Medjliss. The preamble, of which I enclose an English translation, was drafted by the Finance Minister, who introduced the measure.

A glance at this law will show that it defines Mr. Shuster's functions, and endows him with very wide powers in the domain of finance.

The first impression which the Bill conveys is that Mr. Shuster is about to undertake the complete remodelling of the Ministry of Finance, and to commence operations by making a clean sweep of the existing machinery. The Minister of Finance, however, when questioned on the subject yesterday by Mr. Churchill, replied that this point had, in fact, already been raised by the Finance Committee of the Medjliss, which was then examining the Bill, and he had been able to explain to it that Mr. Shuster had no such intentions, at any rate, for the present. He was going first to organise the Treasury Department, on the lines laid down in the Bill, but he would not be able for some time to deal with the departments which carried on the intricate business of the Finance Ministry with the provinces, &c.

I am unfortunately unable to say with any certainty what Mr. Shuster's views or intentions are, as all my information on the subject has so far been obtained indirectly, Mr. Shuster not having yet called on me, or on any of my colleagues. I have no doubt that he finds the work before him so absorbing and the task of such magnitude that he can spare no time for social amenities. Mr. Mornard, the Belgian Director of Customs, is inclined to look upon Mr. Shuster's aloofness—I believe they have not yet met—as an indication of hostility on the latter's part.

Mr. Wood, the chief manager of the Imperial Bank, is already in constant touch with the Treasurer-General, and has, I believe, formed a high opinion of his capability, earnestness, and determination.

On the Persians Mr. Shuster has apparently created a great impression, and the unanimity with which all parties have given him the full powers for which he has asked proves that they repose the utmost confidence in him. I understand that he does not expect to stop speculation and leakage at once, and that he will be quite content if he succeeds within the next six months or a year to stop the larger leakages, or, in other words, to prevent the wholesale robbery of the State Treasury by corrupt officials, and to reduce wanton or foolish extravagance. He has let it be widely known that if he finds obstacles placed in his way by any person or persons he will denounce them to the Medjliss, and if he cannot remove their obstruction he will return to America.

I have, &c.

G. BARCLAY.

Enclosure in No. 12.

*Finance Minister's Bill presented to the Medjliss at the Sitting of the 8th June, 1911,
and passed 13th June, 1911.*

PREAMBLE.

THE purpose of this Bill is so clear that a cursory examination of it will at once elucidate and make manifest all its objects.

At present the financial conditions of the Government are truly regrettable, and if we wish to save ourselves, the measures we take must be very effective and courageous.

The Medjliss has already, by the law of the 2nd of Sefer, 1329 (A.H.) (2nd February, 1911), approved the engagement of a Treasurer-General of the State, and the Government, in accordance with this sanction, have engaged a particular American in order that he should have general and effective supervision and control over the revenue and expenditure of the State.

It is obvious that whenever we entrust an undertaking to a certain person, he will not be able to carry it out until given those full powers essential for the purpose.

In the affairs of the world, whether official or personal, as a general rule, if a person undertakes a grave responsibility without previously obtaining the necessary powers, he is either a fool or a rogue.

So far the financial and monetary arrangements of the Persian Government have been conducted without system and through different officials. Each one of these officials has, during some months, carried on his important duties, which refer to fundamental principles now recognised to concern the Persian people. Without criticising the work undertaken by these officials, or referring to the conflicting views held on the subject, the unfortunate consequences of these differences of opinion have become well known both to the Government and to the people.

Confusion in the administrations, the absence of effective control in financial affairs, and the impossibility of bringing about real reform, and finally the uncertainty as to those really responsible for illegal acts, will undoubtedly bring the country to a state of irreparable ruin. If we wish to save ourselves from this dangerous position we must adopt extraordinary measures to reform these conditions, because it is impossible to fell a forest with a pen-knife. The financial affairs of the State are of that particular nature which cannot take into consideration personal or political interests or temporary conditions. Therefore, in order to introduce new and permanent reforms in the financial and monetary affairs of the Persian Government, the following measures, which have received the most careful and attentive consideration, are submitted to the Medjliss, and their urgency is drawn attention to:—

ARTICLE 1.

The Treasurer-General of the Empire of Persia is entrusted with the direct and effective control of all financial and fiscal operations of the Persian Government, including the collection of all receipts of every description, and the control and accounts of all Government expenditure.

ARTICLE 2.

The Treasurer-General shall establish the following organisations in the Ministry of Finance:—

1. Chief office for the collection of the maliat, taxes, and Government revenues of every description, whether such maliat and taxes actually exist, or such as shall hereafter be established.

2. Chief office for the inspection and control of all receipts and approved expenditure, and the keeping of accounts in connection therewith.

3. Chief office for fiscal operations. All transactions of the Government with the bank, and operations respecting the minting of bullion, and of exchange, loans, interest, amortisation, conversion, concessions, and financial agreements, whether such agreements yield a revenue to the Government, or whether it [*sic*] imply a financial obligation of the Government, shall, the provisions of the terms of the laws being duly observed, be effected by this office.

ARTICLE 3.

In each of the three offices referred to in article 2 the Treasurer-General shall establish such sections and sub-sections as he may deem necessary.

ARTICLE 4.

Whenever the central organisation shall have been effected, the Treasurer-General shall, whenever appropriate, establish the services he may consider essential for the organisation of each of the different provinces.

ARTICLE 5.

The Treasurer-General shall be charged with the custody of the treasury of the Empire, and no Government expenditures shall, without his signature, in the case of direct mandates, or, without his authorisation, in the case of credit orders, be made.

ARTICLE 6.

The Treasurer-General shall prepare such regulations as he thinks fit for the proper execution of the improvements referred to in the preceding articles, which regulations shall, after being *viséd* and published, have the force of law.

ARTICLE 7.

A credit of 60,000 tonans shall be granted to the Treasurer-General for the purpose of establishing a special corps of inspection. In the event of new employes under contract for the establishment of such corps of inspection being required, the contracts shall, as customary, be submitted to Parliament for approval.

ARTICLE 8.

The preparation of the budget of the Empire, which is to be submitted to Parliament on behalf of the Government, is one of the functions of the Treasurer-General, and all the Ministers and Government employes are bound to furnish and submit such information without delay, as the Treasurer-General may require.

ARTICLE 9.

The Treasurer-General shall make any such economies in the Government expenditure and transactions as are suitable—this being one of his specific functions.

ARTICLE 10.

The Treasurer-General shall prepare and submit to the Government every quarter a report on the situation of the finances of the Empire.

ARTICLE 11.

The Treasurer-General shall make the necessary researches as to improvements in existing financial laws and the creation of new sources of revenues, which shall be at the same time suitable, profitable, and favourable to the Empire, so that such may be submitted by the Government to Parliament.

ARTICLE 12.

The Treasurer-General shall have authority over the personnel of the services which, by virtue of the above articles, shall be established under his control.

[25681]

No. 13.

Sir G. Barclay to Sir Edward Grey.—(Received July 3.)

(No. 98.)

Sir,

Tehran, June 14, 1911.

I REPORTED in my telegram No. 180 of the 18th May that Sardar Assad was leaving that day for Europe. He had paid me a visit in the afternoon to announce his departure that evening. He did not actually leave, however, until the 3rd instant. The reason of his departure is not clear. Doubtless pique at the opposition of the Medjliss to his appointment as Minister of the Interior had something to do with it, but he gave out that he left in order to consult a specialist about his eyes, which have long been a source of trouble to him.

Whatever the reason for his leaving, his departure is, I think, a matter for congratulation. The Government had sought to propitiate him by offering him the Ministry of the Interior, and by promising him satisfaction in the matter of the Governorship of Behbahan (see my telegram No. 141), but their intentions had been thwarted in the former case by the opposition of the Medjliss, and in the latter by the obstinacy of the Nizam-es-Sultaneh, who refused to change the Governor of Behbahan. A Bakhtiari, Sardar Ashja, had been appointed Governor of Ispahan, but this did not suffice to appease Sardar Assad, for though he had, as reported in my despatch No. 70, promised the Cabinet his support, he seems to have done his best to embarrass it up to the moment of his departure. He was still very indignant with the Regent and the Ministers when he called upon me to say good-bye, and when I urged upon him the necessity of leaving orders with the Bakhtiari khans to do nothing to hamper the Central Government during his absence, he complained bitterly of the support which the Regent and Cabinet were giving to Nizam-es-Sultaneh, and begged me to remember that his tribesmen were Bakhtiaris before they were Persians, and that Bakhtiari honour had been insulted by the treacherous treatment of the Kawami, whom, he said, he had undertaken in the past to protect, and who had indeed some time back been only deterred from leaving Fars and proceeding to Europe by assurances of Bakhtiari protection. Such language from Sardar Assad was anything but reassuring, and, making all allowance for the exaggeration habitual to him, it looked, when he postponed his departure, as though he might have some sinister motive. I was therefore considerably relieved when I heard he had gone.

But although the departure of Sardar Assad has removed an embarrassing factor, the political situation in the capital is more than usually unsettled. A Ministerial crisis, arising out of the differences between the Prime Minister and Momtaz-ed-Dowleh, who seems to have held the purse-strings too tight to suit Sipahdar, has terminated happily by Momtaz-ed-Dowleh's exchanging portfolios with Muavin-ed-Dowleh, the former becoming Minister of Posts and Telegraphs and the latter Minister of Finance. But since then other dissensions in the Cabinet have arisen, discontent with Sipahdar being, I understand, at the bottom of them. The Regent is unremitting in his efforts to compose these differences. His advice and guidance are more than ever necessary at this moment if the Cabinet is to be held together, and it is a great relief to learn that the impression which has very widely prevailed in Tehran during the last few days that his Highness is on the point of leaving Persia in disgust is false, or at least premature.

I have, &c.

G. BARCLAY.

[25682]

No. 14.

Sir G. Barclay to Sir Edward Grey.—(Received July 3.)

(No. 99.)

Sir,

Tehran, June 14, 1911.

I HAVE the honour to transmit herewith the usual monthly summary of events in Persia for the past four weeks.

I have, &c.

G. BARCLAY.

Enclosure in No. 14.

Summary of Events in Persia for period May 18 to June 14, 1911.

Tehran.

American Financial Officials.—Mr. R. W. Hills arrived at Tehran shortly after Mr. Shuster and the others, but has returned to America owing to illness in his family. Mr. Cairns has not yet arrived. Mr. Shuster has drafted two Bills dealing with his functions as Treasurer-General. They were readily accepted by the Medjliss, and have become law.

Zil-es-Sultan.—It will be remembered that in September 1909, when the Zil-es-Sultan was arrested at Resht, he was forced to pay a ransom of 300,000 tomans, of which 100,000 tomans were paid in cash and the balance was promised in instalments. Pressure has lately been brought to bear on one of the Zil's sons at Tehran to settle the outstanding balance, and practically the whole sum has now been paid up; 70,000 tomans were deducted on account of the Zil's subscription to the so-called "National Bank" in 1907.

The Medjliss.—At the sitting of the 18th May the Government asked for authority to pay the salaries of the French and Swedish employés who are being engaged, on the following scale:—

Swedish officers for the gendarmerie—						Fr.
One captain	..	..	..	..	..	20,000 a-year.
Two lieutenants	..	..	..	..	..	24,000 "
French officials*—						
One for the Ministry of the Interior	..	..	..	..	..	30,000 "
One for the Ministry of Justice	..	..	..	..	..	30,000 "

* The French Government have made it perfectly clear to the Persian Government that these gentlemen are to be engaged as professors, and not to be attached to any Persian Ministry. The Persian Government was evidently afraid to divulge this proviso to the Medjliss.

The necessary authority was voted.

The Government's programme of expenditure of the sum available out of the sterling loan (some 400,000l.) was discussed at the sittings of the 16th and 18th May (see despatch No. 80 of the 19th May), and agreed to by a majority.

At the sitting of the 20th May a member proposed to add an article to the programme of expenditure to the effect that the sum of 100,000 tomans laid aside for the payment of arrears due to Persian representatives abroad should be distributed *pro rata*, as, of course, it is not sufficient to cover all outstanding. This was agreed to, but most of the votes in favour of the proposal were given by Opposition members.

On the 23rd May the annual budget of the Medjliss for the ensuing year (March 1911 to March 1912) was read and agreed to by a majority. The principal items are:—

	Tomans.
Salaries of the deputies (about 240l. a-year each)	121,000
Salaries of the staff	13,254
Sundry expenditure	10,674

On the 25th May the Premier announced that Moavin-ed-Dowleh and Momtaz-ed-Dowleh had exchanged portfolios as follows:—

Moavin-ed-Dowleh became Minister of Finance.

Momtaz-ed-Dowleh became Minister of Posts, Telegraphs, and Commerce.

The Prime Minister explained that the change had been made owing to the amount of work in the Ministry of Finance and Momtaz-ed-Dowleh's ill-health.

At the sitting of the 27th May Morteza Kuli Khan, the leader of the ministerial supporters, read a project for the administrative partition of Kerman from Baluchistan, and after a short debate the matter was dropped.

On the 30th May a Bill was introduced defining the functions of the Treasurer-General, and placing him in control of the expenditure of the money accruing from the sterling loan (see despatch No. 84 of the 6th June).

On the 6th June the budget of the court was read and passed. The total for the ensuing year amounted to over 300,000 tomans, and the following are the principal items included:—

	Tomans.
Shah's privy purse	14,500
Crown Prince's expenses	18,000
The Regent (including his Cabinet)	60,000
Ministry of the Court	20,000
Royal household	135,000

At the same sitting the Foreign Minister was closely questioned on a variety of matters, including the navigation of the Upper Karun, the oil company's affairs, railway projects, and the Turco-Persian frontier. The Foreign Minister had not prepared his answers very carefully, and they did not throw much light on the subjects dealt with.

On the 8th June a further Bill was introduced dealing in detail with the Treasurer-General's functions and giving him full powers in the financial administration. It was referred to committee and approved by a majority at the sitting of the 13th June (see despatch No. 95 of the 13th June).

G. P. CHURCHILL, *Oriental Secretary.*

Tabreez.

1. Early in June Mukhber-es-Sultaneh resigned the post of Governor-General of Azerbaijan. Amanullah Mirza, commander of the troops in Azerbaijan, is officiating as Governor-General.

2. The Governor of Ardebil, who had taken the field against the Shahsevens, was defeated by them near Miskin, towards the end of May and fled to Ahar. The Governor of Ahar was himself said to be in a serious position, as an expedition sent by him against some of the Karadaghis had been repulsed.

3. Shuja-ed-Dowleh, Governor of Maragha, had for some time previous to the resignation of Mukhber-es-Sultaneh been acting independently of the latter, and was reported to be collecting a force, but with what object was not clear. According to Persian reports his force was intended to deal with Salar-ed-Dowleh, who, with 200 to 300 men, was on the 7th June near Miandoab. Salar-ed-Dowleh's object is believed to be to compel the Government to come to terms with him with regard to his confiscated estates.

Resht.

1. Yamin-ul-Mamalik has been appointed Governor-General of Ghilan, and arrived at Resht on the 26th May.

2. A Greek trader proceeding from Resht to Enzeli was attacked and robbed of 150*l.* by three Armenians on the Khommam road. His coachmen managed to escape and bring word to Resht, whence policemen were sent out. The Armenians were arrested, and one was whipped until he disclosed where the 150*l.* had been hidden.

3. The Russian Commissioner of Gumbad-i-Kabus has left Astarabad for Gomeh Teppe with fifty Cossacks to collect 300*l.*, the balance of the fine for the death of two Cossacks in July 1910.

Meshed.

1. One Yusuf, Herati, has taken refuge in a college occupied mainly by Russian subjects, whence he incited people to rise in favour of the ex-Shah. The police wish to arrest him, but Prince Dabija, who has employed him as a spy in Afghanistan, is helping him. There is a good deal of feeling on the subject.

2. The Governor-General is being paid a large sum to send Shuja-ed-Dowleh to Kuchan as governor. Both Major Sykes and M. Gregorief previously opposed this appointment, as the man is a hopeless degenerate. Prince Dabija is, however, in favour of it, having, it is rumoured, received a sum of money also. Major Sykes adds, "As usual, my colleague has not consulted me in this or any other matter."

3. It is reported that on two occasions recently bodies of Russian troops have crossed the frontier into Afghan territory. On one occasion they seized the son of an Afghan officer and another man. When they let them go they retained their arms.

On another occasion the son of a local notable was carried off by twenty-five Cossacks but was subsequently released. The Russians have placed Seyyid Ahmad Beg, Jamshidi, in charge of the frontier from Panjdeh to Sheikh Juneid and are using him for spying and possibly for making trouble.

4. Sahib Ikhtiar, against whom there has been some agitation locally, is likely to be dismissed from the post of Governor-General. Nayer-ed-Dowleh is said to desire the post, and Major Sykes considers his appointment desirable. The Russian attitude towards him is not, however, yet known. Naib Hussain, Kashi, is reported to have gone to Kandak, an oasis in the Lut. Muhammad Ali is still in possession of the Gunabad district, but a force of 400 men under Shuja-ul-Mulk is out against him. One Yakub, who was raiding in the Turshiz district, has been surrounded and killed by the governor of that place. An Afghan party recently raided Rushkar, in the Turbat district.

Seistan.

1. By the end of April the Hamun had overflowed into the Shela and considerable tracts of country in Miankangi were under water. Parts of the Seistan-Koh-i-Malik Siah road were flooded, rendering considerable détours necessary for caravans. Some difficulty was experienced in getting across supplies for the Robat column and in getting across merchandise, much of which was delayed at Koh-i-Malik Siah. Many villages had suffered considerable damage, and in one village of Miankangi forty-six people were said to have lost their lives.

2. The situation in Seistan was in May normal, but in Kain there was increasing discontent against the governor, Shaukat-ul-Mulk. Another serious Baluch raid was reported from Chah Dashi, 24 miles south-west of Neh, 100 armed Baluchis raiding an encampment of Tahiris and carrying off 350 camels, several thousand sheep, and every article of value the nomads possessed. Hashmat-ul-Mulk is believed to have instigated this raid. In the north Muhammad Ali, Nishapuri, was practically ruler of a considerable district near Gunabad, and the Meshed postal service was consequently very irregular. Recently a deputation of the leading men of Sumnikhana visited Major O'Connor at Birjand with a request that the Sunnis of that district might become British subjects. They said that the new taxes imposed since the establishment of the constitution were oppressive and that the governor was apparently unable to protect the province against highway robbers. They were informed that their request could not possibly be entertained.

3. A party of Berberis who were on their way to Meshed on a pilgrimage quarrelled with some villagers at Muhammadabad, 40 miles from Birjand on the Turbat road. The villagers with some nomads surrounded the caravanserai in which the Berberis were lodged and some shots were fired at it, one of which killed one Yakub Ali, a Berberi, formerly a sepoy in the 126th Baluchistan Infantry. Major O'Connor, to whom the Berberis appealed at Birjand, arranged with Shaukat-ul-Mulk for a joint investigation which resulted in the fact of the murder being proved. Major O'Connor demanded 400*l.* indemnity for the murdered man's family, but Shaukat-ul-Mulk, though admitting the facts, refused any redress except payment of 40*l.* to 60*l.* His Majesty's Minister has presented a claim for the indemnity to the Persian Government.

4. Consulate hospital figures for April:—

Seistan—									
Cases ..	..	..	..	..	..	..	..	..	3,151
Operations ..	..	..	..	..	..	..	..	..	61
Birjand—									
Cases ..	..	..	..	..	..	..	..	..	897

Ispahan.

1. Sardar-i-Ashjaa, Bakhtiari, the new Governor-General, arrived on the 26th May. Although there is said to be much secret discontent at the appointment of a Bakhtiari governor, the town has remained quiet. The bread question has ceased to be acute, large quantities of wheat and other food-stuffs having arrived. The local administrations, disorganised by the riot of the 6th May, are gradually resuming work.

2. The state of the Shiraz road is dealt with in a separate despatch. Of the other roads, all, with the exception of that to Tehran, appear to have continued safe. As reported in the last summary, Mr. Kingston was robbed on the 14th May near Khalidabad. The robbery took place at about 11 p.m. The robbers, after taking

Mr. Kingston's money, threw him and his servant down, binding their arms. One of them repeatedly struck Mr. Kingston with the butt end of his rifle and kicked him. Mr. Kingston was travelling without guards, the Governor of Kashan having promised but failed to supply them. It is thought that the robbery was the work of villagers and not of tribesmen. Sergeant Peters, of the Indo-European Telegraph Department, passed the spot some six hours later and saw no tribesmen. Since the middle of May the road between Khalidabad and Madr-i-Shah has been infested by small bands of robbers, but the only robbery actually reported was that of an Ispahan notable near Khafir on the 30th May. The posts have not been molested.

3. During May rumours were current of impending trouble in the Bakhtiari country and the massing of troops was reported. The situation remained obscure until the 8th June, when fighting began at Pul-i-Zaman Khan, 10 miles north of Deh Kurd, between the Chaharlang section, allied with Zergham-es-Sultaneh, Haftlang, and the Haftlang section. The Chaharlang numbers are variously estimated at from 1,000 to 2,500. On the 10th June it was reported that the engagement had ended in favour of the Chaharlangs, who had been joined by the Khajoois. There was said to have been heavy loss of life. Numbers of Haftlang women, fleeing before the Chaharlang, were arriving at Ispahan on the 11th and 12th. Reinforcements which the Governor-General of Ispahan proposed sending to the Haftlangs had not started, it was believed because the roads were blocked by the Chaharlangs. Sardar-i-Zaffar, Haftlang, who is at Tehran, asserts that the Chaharlangs will easily be dealt with. Traffic on the Ahwaz road has not been affected by the fighting.

Yezd.

Zaigham-ed-Dowleh, Kashgai, was dismissed from the governorship in May, and has been replaced by Fakhr-ul-Mulk, formerly Governor-General of Arabistan. Just before his dismissal he extracted 2,000*l.* from Mushir-ul-Mamalek, the chief tax-collector, under threat of having him bastinadoed. He has since withdrawn to Ispahan. The roads appear to have remained safe except for the depredations of Zaigham-ed-Dowleh's men when moving to Ispahan. On the 2nd June, however, 1,000 Kuhgeluis and Boir Ahmadis were reported to be moving towards Nogumbaz with the intention of marauding.

Kerman.

1. Colonel Haig returned from Bunder Abbas on the 18th May accompanied by his family.

2. The troops under Sardar-i-Nusrat continue to besiege Bahram Khan's men in Fahraj fort. Occasional sorties are made, but very little damage is done. The troops are suffering much from the heat of Baluchistan, and are likely to withdraw from before Fahraj with or without leave. Their retreat would greatly enhance the reputation of Bahram Khan, and destroy the little prestige still remaining to the Persian Government in these parts.

3. In the middle of April goods to the value of over 3,000*l.*, the property of Messrs. Castelli and Mr. Stevens, were robbed at Doulatabad, on the Kerman-Bunder Abbas road. Except for this robbery the roads in this province seem to be fairly safe. Colonel Haig in the course of his tour gathered that those concerned in the robbery, on discovering that the goods were the property of a foreign firm, rather regretted the enterprise.

4. On the 18th at 9 P.M. there were three shocks of earthquake at intervals of five minutes. No damage was done in Kerman, but in Rawar many houses collapsed, and fifty lives are said to have been lost. During the next three weeks slight shocks were felt almost daily.

Kermanshah.

1. Rukn-ed-Dowleh has been dismissed from the post of governor, to which Sardar-i-Motazid has been appointed. Pending the latter's arrival from Tehran, Mohtisham-ed-Dowleh is officiating as governor, and has so far succeeded in preserving order. He was successful in persuading Yar Muhammad Khan to withdraw from Kermanshah, otherwise it is probable that fighting would have taken place between Yar Muhammad's men and those of Akbar Khan, brother of the murdered Moin-ur-Raya. Telegraphing on 12th June, His Majesty's consul reported that Akbar Khan had left to attack the

village of Rustam Beg, and that in Kermanshah the two factions had occupied fortifications, and some firing had taken place, the bazaar was closed, and general nervousness prevailed.

2. Daoud Khan, Kalhur, was collecting forces with the intention of attacking Samsam-ul-Mamalek, Sinjahi, but he appears to have refrained from carrying out his intention on receiving telegrams from Tehran instructing him to maintain order.

3. The Vali of Pasht-i-Kuh is reported to have made terms with his son, Amanullah Khan, who had taken the field against him, and to have conceded all the latter's demands.

Shiraz.

The agitation against the asylum afforded to Kawam-ul-Mulk in His Majesty's consulate continued for some time, and Nizam-es-Sultaneh was suspected of supporting it. It has, however, now died away. An unfortunate incident occurred on the 10th June, when some 500 Persian soldiers endeavoured to force their way into His Majesty's consulate to take "bast" there as a protest against their pay being in arrears. Firing ensued, resulting in three Persian soldiers being killed and two wounded, while one sowar of the 25th Cavalry, of the guard of His Majesty's consulate, had one finger shattered by a bullet. The Governor-General sent troops to guard the consulate and the commander of the troops and one of his own staff to express regret for the incident, which has been fully reported in a separate despatch.

PERSIAN GULF.

Bushire.

Owing to an outbreak of plague in Bushire, the port was officially declared plague affected on the 23rd April.

Bunder Abbas.

At the end of April news was received from Minab that the Zabib of Jiruft had, by order of the Governor of Kerman, arrested Zargham-i-Nizam and Jiyand Khan after a fight in which five men were killed on each side.

Ahwaz.

Captain A. J. H. Grey took over charge of the Ahwaz consulate from Lieutenant Ranking on the 13th May.

C. B. STOKES, Major,
Military Attaché.

[25684]

No. 15.

Sir G. Barclay to Sir Edward Grey.—(Received July 3.)

(No. 101.)
Sir,

Tehran, June 18, 1911.

WITH reference to my telegram No. 103 of the 31st March last, my Russian colleague informs me that the joint inquiry into the attempt on the life of Mutamid-i-Khakan, the Governor-General of Ispahan, and the killing of his nephew being concluded, Mirza Abbas Khan, the accused, has been sent to Russia for trial. The Russian Minister thinks he may escape with a light sentence, as he will plead that the crime was not premeditated, and that he only fired at Mutamid-i-Khakan in consequence of the latter's having used insulting language of the Czar.

I have, &c.

G. BARCLAY.

[25686]

No. 16.

Sir G. Barclay to Sir Edward Grey.—(Received July 3.)(No. 103.)
Sir,*Tehran, June 21, 1911.*

WITH reference to my despatch No. 73 of the 16th May respecting the loan of 1,250,000*l.* which the Persian Government is raising through the Imperial Bank of Persia, I have the honour to transmit herewith a translation of the Act of Parliament relating thereto which was passed on the 2nd May.

I have, &c.
G. BARCLAY.

Enclosure in No. 16.

Act dated May 2, 1911.

THE following Act empowering the Persian Government to raise a loan of 1,250,000*l.* through the Imperial Bank of Persia was passed by the Persian Parliament on the 2nd May, 1911, and the following four clauses, comprised in the Act, are translated from the Persian Government's official "Gazette," No. 14, of Thursday, the 18th May, 1911:—

Article 1. The Persian Government is empowered to borrow, through the Imperial Bank of Persia, 1,250,000*l.* at the rate of 5 per cent. interest, and under a discount of 12½ per cent.

Article 2. The amortisation and guarantee for this loan will be as follows:

(1.) The amortisation at the rate of ½ per cent. will be paid five years after the date of this loan.

(2.) The guarantee for this loan will be the same as the guarantee for the former loan of the Government from the Imperial Bank of Persia, in accordance with the conditions in the agreement dated the 20th March, 1910, i.e., the first receipts of the southern customs after the deduction of the expenditure to be met from that source.

(3.) In the event of the Imperial Bank of Persia making proposals regarding the non-payment of the principal of this loan, by which the Persian Government would not have the right to pay off the whole of the loan for a given period, the Government is empowered to agree to this proposal on condition that the said period is not more than five years from the date of the signature of this loan.

Article 3. The bonds of this loan will be exempt from every kind of tax or imposition which may be levied in the future.

Article 4. After the payment of 3,396,697 tomans, the sum already owed to the bank, and 340,000 tomans, a sum which has lately been advanced on the loan, the balance of the loan will remain in the bank until such time as the project of expenditure and projects of control have been approved by the Parliament.

[25700]

No. 17.

Mr. O'Beirne to Sir Edward Grey.—(Received July 3.)(No. 180. Secret.)
Sir,*St. Petersburg, June 27, 1911.*

I ASKED the Acting Minister for Foreign Affairs yesterday whether he could tell me anything to report to you regarding the progress of his pending negotiations with Germany. He said that he had asked Count Benckendorff to speak to you regarding the clause concerning the Khanikin-Tehran railway. He was in doubt whether it was necessary to insert in that clause a provision to meet the case of neither Russian, French, nor British capital being forthcoming in sufficient amount for the eventual construction of the line. At any rate, he thought that we ought in good time to consider the question of how the capital was to be provided and of "guarantees" for the interest.

I said that I thought, when the question had been discussed before, it had been agreed that it would be sufficient to have a clause providing that Russia would

undertake the construction of the line and reserved to herself the right to bring in foreign capital. If when the time came the capital was not forthcoming, it would be early enough to think of the communication which would have to be made to Germany.

M. Nératof replied that if the clause were drafted in the way suggested, and if Russia when the time came could not procure sufficient capital for the construction of the line, Russia would have failed to carry out her undertaking, and the other clauses of the agreement would fall through. It might be better to add a provision giving Russia liberty to renounce the right of building the line if she chose to do so.

I have, &c.
HUGH O'BEIRNE.

[25701]

No. 18.

Mr. O'Beirne to Sir Edward Grey.—(Received July 3.)(No. 181. Secret.)
Sir,*St. Petersburg, June 28, 1911.*

I ASKED the Acting Minister for Foreign Affairs on the 26th instant whether we might soon expect an answer to the *aide-mémoire* from His Majesty's Embassy of the 2nd (15th) May last, stating the conditions on which His Majesty's Government would be prepared to assent in principle to the scheme for the construction of a trans-Persian railway to connect with the Indian railway system. M. Nératof said that he had not intended to return any reply to Sir G. Buchanan's communication. It would be time enough to go into the detailed questions raised by these conditions when the proposed "Société d'Etudes" had completed its task and we had fuller information in our possession. When dealing with the conditions laid down by Great Britain, the Russian Government would probably put forward conditions of their own, and this would involve lengthy negotiations. For the present, it was sufficient that the two Governments should have signified their assent to the general principle of a trans-Persian line.

I said that I understood that some of the Russian promoters of the scheme were shortly going to London with the object of associating themselves with a group of English capitalists who would join in finding the money for a survey of the proposed route. I thought that before subscribing the necessary funds the capitalists would like to know that the two Governments had definitely assented to the scheme of a trans-Persian line. Suppose that after the surveys had been carried out Russia declined to agree to one of the conditions put forward by His Majesty's Government, and the latter could not give their assent to the principle of the line. The capitalists concerned would rightly feel aggrieved.

M. Nératof replied that he had carefully explained to M. Khomiakoff that the Russian Government was merely agreeing in a general way to the idea of a trans-Persian line, but that it did not follow that on further examination difficulties might not arise to prevent Russia from agreeing to the actual execution of the project.

I venture to think that it would be desirable that you should furnish His Majesty's Embassy with instructions as to the necessity of a reply being returned by the Russian Government to the embassy's last communication.

I have, &c.
HUGH O'BEIRNE.

[25935]

No. 19.

Sir G. Barclay to Sir Edward Grey.—(Received July 3.)(No. 229.)
(Telegraphic.) P.*Tehran, July 3, 1911.*

SITUATION in Tehran.

Nasr-ul-Mulk emphatically denies the rumour that the rigorous financial control imposed by Mr. Morgan Shuster (please refer to my telegram No. 219 of the 17th June) had any connection with departure of Prime Minister. His Highness is persuaded that the only hope of carrying on the Government and of putting a stop to the increasing activity of many who are desirous of seeing the return of the ex-Shah lies in the presence of the Sipahdar in Tehran.

[1505]

No successor to the Sipahdar has in the meanwhile been found, and the Medjliss, with few exceptions, now realises that they must support the Sipahdar. Nasr-ul-Mulk summoned the deputies to the palace yesterday and spoke to them very seriously, making them realise the gravity of affairs. His Highness obtained from the majority a written undertaking to support the Sipahdar, and he has communicated this undertaking to the Prime Minister.

Regent gave me to understand that he will seriously consider leaving Persia if the Sipahdar does not consent to return to Tehran from Resht, where he still remains. His Highness feels that the definite departure of the Prime Minister must lead to increased confusion, rendering government of the country impossible.

[25950]

No. 20.

Sir G. Barclay to Sir Edward Grey.—(Received July 4.)

(No. 230.)

(Telegraphic.) Decode.

Tehran, July 4, 1911.

REGENT informs me that Sipahdar left Resht for Tehran yesterday.

[26085]

No. 21.

Sir G. Barclay to Sir Edward Grey.—(Received July 4.)

(No. 231.)

(Telegraphic.) P.

Tehran, July 4, 1911.

PERSIAN frontier tour.

Reference to my telegram No. 227, dated the 25th June.

Mr. Shipley at Urumia telegraphs as follows:—

"In the event of the negotiations with the Turkish Government proving abortive, position of delegates here would, in a certain measure, be adversely affected, since the local authorities generally appear to be aware of the reason of our delay. Would it not, therefore, be possible for us to start at once without our escort, provided we remain within telegraphic communication? The continued delay makes the successful termination of our mission more and more difficult."

M. Poklewski and I are retaining Messrs. Minorski and Shipley at Urumia in the hope that our representations at Constantinople may shortly have a successful issue. Further delay would, however, appear undesirable if we are unlikely to receive a favourable reply from the Porte. In that case we presume that the ruling of the local authorities in the matter of taking or leaving the escorts must be accepted by the delegates.

[26241]

No. 22.

Sir G. Barclay to Sir Edward Grey.—(Received July 5.)

(No. 232.)

(Telegraphic.) P.

Gulahak, July 5, 1911.

I REGRET to report that a dispute has arisen between MM. Mornard and Shuster.

The Treasurer-General maintains that the law passed by the Medjliss on the 13th June (please refer to my despatch No. 95 of the 13th June) renders the Administrator-General of Customs subordinate to him, and he has requested M. Mornard to deposit all the receipts from the customs to his account at the English and Russian banks. Up till now Administrator-General of Customs has not signified his consent to this arrangement, and Imperial Bank, in pursuance of instructions from the Treasurer-General to recognise only his signature, have refused cheques drawn by the former on the Customs account at the Imperial Bank. Last night a resolution of the Cabinet, supporting Mr. Shuster's demands, was communicated to M. Mornard, and administrator-general was at the same time ordered to obey the recent law.

M. Poklewski is disposed to espouse the cause of M. Mornard, adducing in support of his attitude the phrase "à l'intervention de l'Administration des Douanes," which occurs in paragraph B of article 4 of the Russian consolidation agreement (please refer

to my despatch No. 3, dated the 23rd January). He maintains that the transfer of the control over such portion of the receipts of the northern customs as is pledged under the Russian Bank's agreement to a new comer, who may relinquish his post and who may be succeeded by a Persian, jeopardises Russian interests.

It does not, however, appear to me that the control claimed by the Treasurer-General over the customs revenues and expenditure jeopardises the legitimate interests of either ourselves or Russia. (In this connection please ask Imperial Bank of Persia, London, to show you Tehran manager's letter of the 29th June, 1910.) Mr. A. O. Wood is warmly in favour of the new arrangement, and informs me that the Treasurer-General has given the most complete assurances, both to the Imperial Bank and to the Banque Nationale d'Escompte, that the fixed charges will be met when they fall due. The gross receipts of the northern and southern customs will, Mr. Shuster has stated in writing, be lodged with the Banque d'Escompte and the Imperial Bank respectively, and will be "carried in his books intact pending the full payment of all liens at present constituting a charge on the receipts. Save for the actual and necessary expenses of the customs administration, as provided for under the recent agreements, no cheque will be drawn against these revenues until all liens now constituting a charge upon them have been fully paid." I think that this assurance, if given officially by the Minister for Foreign Affairs, should satisfy us while Mr. Shuster retains his present position, and it will not be difficult to make reserves to meet the eventuality of the subsequent appointment of a Persian or other undesirable in his place.

Were I to oppose any action of Treasurer-General's, which is in conformity with a law passed by the Medjliss and which I do not consider prejudices either British or Russian interests, a deplorable impression would, I have no doubt, be caused in England, and America would justly take umbrage. In these circumstances, reluctant as I should be to withhold my support from M. Poklewski if he applied for it, I propose nevertheless to take no part in the dispute unless I receive instructions to the contrary from you.

[26304]

No. 23.

Note communicated by M. Cambon, July 5, 1911.

L'AMBASSADEUR de France avait indiqué, le 15 mai dernier, au Sous-Secrétaire d'Etat permanent pour les Affaires Étrangères dans quelles conditions deux professeurs français de droit, MM. Demorgny et Perny, allaient remplir une mission en Perse. Afin de répondre aux désirs exprimés par les Cabinets de Londres et de Saint-Petersbourg, le Ministre français des Affaires Étrangères a fait communiquer à la presse une note dont voici le texte et qui ne peut laisser aucun doute sur la mission des deux professeurs français:—

"Le Gouvernement persan, par l'intermédiaire de son Ministre à Paris, son Excellence Samad Khan, vient d'engager deux professeurs de droit pour l'École des Sciences politiques à Téhéran. M. Demorgny, ancien sous-préfet, ancien secrétaire général de la Commission européenne du Danube, chargé du cours libre à la Faculté de Droit de Paris, enseignera les matières du droit administratif; M. Perny, docteur en droit de la Faculté de Paris, procureur de la république, traitera de l'organisation judiciaire. Ces deux professeurs pourront donner au Gouvernement et aux administrations persanes des consultations sur les matières de leur compétence technique.

"MM. Demorgny et Perny retrouveront à Téhéran un certain nombre de professeurs de nos compatriotes auxquels le Gouvernement persan s'est toujours adressé de préférence pour organiser le haut enseignement dans la capitale du royaume et dans les provinces."

*Ambassade de France, Londres,
le 5 juillet, 1911.*

Papers communicated by Imperial Bank of Persia, July 6, 1911.

(1.)

Copy of Note "A" of London Office Board Letter to Tehran, dated February 6, 1909.

Banking Operations.

FOR your information, we append particulars of the endorsement upon the undermentioned drafts of our Shiraz and Bushire office, which were presented to us for acceptance by the Russian Bank for foreign trade on the 4th instant:—

Shiraz—		£		
20/142-145	..	..	400	(due 3rd March) in favour of— Haji Mohamed Delal.
				Endorsed— Mirza Mahmoud Kazrany. Haji Mirza Gholam Hussein Kazeroony.*
148-149	..	..	200	(due 3rd March) in favour of— Kai Khosrow Parsec. (Then endorsed as above.)
Bushire—				
20/78-95	..	..	2,060	(due 8th March) in favour of— Haji Mirza Gholam Hussein Kazeroony.*
			2,660	

* All these drafts are endorsed by Haji Mirza Gholam Hussein Kazeroony to the Administrateur général des Douanes, Tehran, and by him endorsed to the Banque d'Escompte de Perse. They did not bear the endorsement of the latter when they were presented to us for acceptance. We thought the information might be of interest to you, as we do not recollect having seen our drafts remitted through this channel previously.

G. NEWELL.

(2.)

Extract from a Confidential Letter, Tehran to London, dated June 29, 1910.

Consolidation of Persian Government Debts.

THE enclosed statement shows how Mr. Mornard has kept up payments to date, and to my mind his system is most reprehensible. The whole of the Gulf ports have provided only some 73,000 tomans to date, and the remainder is made up of northern receipts, to which we are not entitled. I suppose Mr. Mornard argues that so long as he keeps the British and Russian claims up to date, it is no concern of ours how he does it; but that is not the point, for my contention is that by pilfering one to pay the other he makes it impossible for us to estimate the value of our security. 73,000 tomans cannot possibly represent all the southern receipts since last March, and I have not the slightest doubt that just as he pilfers from the north so he does from the south, and to an extent which we cannot possibly discover since Jamshid and other natives are only too willing to assist him.

I have not brought this matter to Mr. Marling's notice yet, because he might feel it his duty to report it to the Russians, and that would bring us into conflict in quarters where we are anxious to maintain good relations. But as something must be done to alter this unsatisfactory state of affairs, perhaps it would be advisable to lay the matter before the Foreign Office. M. Mornard has just gone home on three months' leave, under re-engagement for a further period of four years at the enhanced salary of 50,000 fr. per annum.

At present we have no means of ascertaining what sum the entire customs of the country produce, in spite of statistics, for it is not reassuring to know who publishes them. The only way to overcome this is to place our own men in the customs to check the receipts. Russia, by agreement, I believe, has the right to do so, but I do not think England has made any similar arrangement with Persia.

Sums received from Mr. Mornard from March 20 to June 27, 1910.

	Krans.
Bushire customs	354,858.75
Mohammerah customs (through Lynch)	203,100.00
Bunder Abbas and Lingah (through Jamshid)	173,379.30
Meshed	190,000.00
Toumaniantz	52,075.80
Mornard, F.R.C. a/c	19,250.00
Resht (Government silver)	676,009.70
Tabreez	45,000.00
Sundries	1,190.00
	1,714,863.55

Mohammerah receipts are paid at present to Lynch Brothers, who have a contract with Mr. Mornard. This contract will expire next April.

A similar contract exists with Jamshid regarding Bunder Abbas and Lingah.

The sum paid by Toumaniantz evidently represents customs receipts collected by him at one of the small Caspian ports. We have no idea what "Mornard, F.R.C. a/c" means; it is made up of small remittances from all the custom-houses in Persia.

(4.)

Translation of a Telegram received from Tehran on July 5, 1911.

RUSSIAN Minister objects to power granted to treasurer-general of Persia. If this honest endeavour to reform is prevented by foreign Government, situation will be past all hope. Please show Foreign Office our semi-official confidential letter of the 22th June, 1910; also show Foreign Office the drafts mentioned in your board letter, note "A," of the 6th February, 1909, and afterwards send without fail by first mail the drafts which are required by the treasurer-general of Persia.

British Minister has telegraphed Foreign Office.

Mr. O'Beirne to Sir Edward Grey.—(Received July 6.)

(No. 190.)
Sir,

St. Petersburg, July 1, 1911.

WITH reference to my despatch No. 176 of the 25th ultimo, I have the honour to forward to you herewith copy of an extract from a telegram recently received by the Russian Government from their delegate during his tour with his British colleague on the Turco-Persian frontier.

I have, &c.

HUGH O'BEIRNE.

Enclosure in No. 25.

Russian Delegate on the Turco-Persian Frontier to Russian Minister for Foreign Affairs.

(Télégraphique.)
(Extrait.)

[Non daté.]

LES deux délégués viennent de quitter Khoy, se dirigeant vers Chahrik. Les autorités ottomanes ont soulevé quelques objections contre l'itinéraire fixé pour l'escorte des délégués et tâchaient d'imposer à Mr. Shipley et M. Minorsky une escorte turque, mais les délégués n'ont pas cru possible de se départir de leur point de vue et continuèrent leur chemin ayant avec eux deux cosaques et un cipaye. A Anghar les délégués furent rejoints par leurs escortes nationales. Ils comptent continuer leur voyage dans la direction de Descht et pensent se mettre en route jeudi, le 16 (29) juin.

[26297]

No. 26.

Mr. Marling to Sir Edward Grey.—(Received July 6.)

(No. 157.)

(Telegraphic.) P.

Constantinople, July 5, 1911.

RUSSIAN Government have instructed their Ambassador here to endeavour to secure as soon as possible a reply from the Porte to our identic communication as to escorts (see my telegram No. 149 of the 30th June). If reply is not forthcoming, Russian Government suggest that, as long as no serious objection is raised by the Turks, delegates with their escorts should make a tour towards the west. Russian delegate on Frontier Commission has also proposed continuation of tour with escorts on the understanding that if a Turkish force is in occupation of any village visited, the escorts shall be left outside the village.

I venture to request instructions as to these proposals. The Minister for Foreign Affairs, on my asking him yesterday whether he had taken our identic communication into consideration, said that, in reply, he was going to propose that delegates should be accompanied by forty Turkish cavalry. Thus in districts occupied by Turkish force, though indisputably Persian, delegates might dispense with their own escorts.

I endeavoured to persuade the Minister for Foreign Affairs to agree to our latest proposal, and pointed out that his suggestion was not in accordance with procedure agreed to. I remarked that, as I could only presume that in districts under Turkish occupation there was no insecurity, an escort of forty men seemed to me more than necessarily large.

[26368]

No. 27.

Sir G. Barclay to Sir Edward Grey.—(Received July 6.)

(No. 233.)

(Telegraphic.) P.

Tehran, July 6, 1911.

IN continuation of my telegram No. 232 of yesterday's date I have the honour to report that on the 4th July the Imperial Bank of Persia refused to meet a cheque drawn by M. Mornard on one of the customs accounts and presented to them on the ground that it did not bear Mr. Shuster's signature. I am informed by M. Poklewski that the cheque in question was drawn for the transfer of certain monies from the northern customs which, for convenience sake, administrator-general had deposited at the Imperial Bank to the Banque nationale d'Escompte.

My Russian colleague is most indignant, and tells that he will lend M. Mornard his strong support in his dispute with Mr. Shuster.

Customs administrator contends that he can only serve under Grand Vizier and the Minister of Finance. As he knows he can count on the backing of the Russian Legation it is unlikely that he will give in.

Mr. Shuster has, however, the entire support of the Medjliss, and it is quite possible that M. Mornard's contract will be cancelled by this body if he does not yield.

[26241]

No. 28.

Sir Edward Grey to Sir G. Buchanan.

(No. 319.)

(Telegraphic.) P.

Foreign Office, July 6, 1911.

TREASURER-GENERAL (see Sir G. Barclay's telegram No. 232 of 5th July).

Apart from any question as to Shuster's nationality, I think Sir G. Barclay is quite right, merely judging from the merits of the case. We should lose a chance of bringing some order into Persian finances if we opposed Shuster's proposals, and Russia and ourselves would both gain if such order were introduced.

[26408]

No. 29.

Mr. Marling to Sir Edward Grey.—(Received July 7.)

(No. 453.)

Sir,

Therapia, July 1, 1911.

WITH reference to my telegram No. 149 of yesterday, I have the honour to transmit herewith copy of the identic communication to the Sublime Porte respecting the escorts of the Anglo-Russian delegates on the Persian frontier, which was drawn up by the Russian Ambassador and myself in accordance with the sanction conveyed to me in your telegram No. 242 of the 28th June. The Minister for Foreign Affairs being absent, I read the communication to the Secretary-General of the Foreign Office on the 29th instant, and urged him to obtain the dispatch of the requisite instructions to the competent Ottoman authorities. Cuyoumdjian Effendi promised to refer the matter at once to the Grand Vizier, and at his request I left a copy of the communication with him.

A similar procedure was adopted by M. Swetchine, councillor of the Russian Embassy, who had been deputed by M. Tcharikoff to act for him during his absence from Constantinople for two or three days.

I have, &c.

CHARLES M. MARLING.

*Enclosure in No. 29.**Identic Note communicated to Sublime Porte.*

LORS de l'arrivée de l'agent anglais, Mr. Shipley, à Khoy, le consul ottoman dans cette ville lui déclara que l'escorte anglaise ne pouvait l'accompagner à partir de Dilman jusqu'à Ourmiah sans une permission spéciale des autorités frontières ottomanes. Effectivement Mr. Shipley, s'étant dirigé sur Ourmiah par Semai, Baradest et Tergewer, fut accompagné d'une escorte ottomane, tandis que la sienne se rendit à Ourmiah en longeant les bords du lac de ce nom.

Le Gouvernement de l'Angleterre ne saurait toutefois admettre de pareilles exigences, mais ne trouverait pas d'objections à ce que le Gouvernement ottoman, qui dispose de troupes sur plusieurs points que l'agent anglais a en vue de visiter, puisse en cas de nécessité contribuer à la sécurité dudit agent, au plus en lui prêtant une escorte ottomane qui renforcerait sa propre escorte sur son parcours d'après l'itinéraire fixé par l'agent lui-même.

Il est bien entendu, ainsi qu'il est dit dans la communication faite par l'Ambassadeur de Sa Majesté britannique au Ministre ottoman des Affaires Étrangères le 11 (24) mai dernier, que la composition de l'escorte de Mr. Shipley ne préjugera d'aucune façon les droits de souveraineté de la Perse et de la Turquie sur les localités à visiter.

[26479]

No. 30.

India Office to Foreign Office.—(Received July 7.)

Sir,

India Office, July 6, 1911.

WITH reference to your letter of the 2nd May, I am directed by the Secretary of State for India to forward, for the information of the Secretary of State for Foreign Affairs, copy of a telegram, dated the 16th June, that has been received from the Government of India, on the subject of the proposed motor road from Bushire to Shiraz.

From Lieutenant-Colonel Cox's telegram dated the 12th April, copy of which is also enclosed, it will be seen that he does not altogether share the Government of India's opinion as to the eventual diversion of trade from that route, and the Marquess of Crewe is not prepared, as at present advised, to rule out Mr. Chick's proposal on that ground. Nor is he satisfied that the employment of an officer of Government to make such a preliminary survey as was contemplated by Mr. Chick would necessarily involve His Majesty's Government in any responsibility for the success of the scheme. The question of the form of traction that might be feasible would be one for the syndicate to consider, should the scheme be taken up, and in any case cannot perhaps be finally answered until the route has been surveyed.

If, therefore, Sir E. Grey—after consideration of the views of the Government of India and of His Majesty's Minister at Tehran—thinks it desirable to proceed with the survey in the autumn, Lord Crewe will raise no objection; and in this connection I am to enclose copy of a letter that has been received from Captain L. E. Hopkins, R.E., the officer recommended for this purpose by Colonel Cox in his telegram of the 6th March.

I am, &c.
R. RITCHIE.

Enclosure 1 in No. 30.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. June 16, 1911.

PLEASE refer to your telegram dated the 4th May, 1911, regarding road via Firuzabad to Shiraz.

Consideration that the Bushire-Shiraz route would be useless for a railway in the event of our securing Khor Musa-Mohammerah-Shiraz-Bunder Abbas line, largely influenced us in suggesting that question of Firuzabad-Shiraz route should be postponed. Use of this route for a road may, however, become desirable; but we are still of opinion that, pending further development of general question of railways in Persia, it is advisable that decision as to survey should be deferred. Scheme of Mr. Chick, while we recognise certain advantages in it, has drawbacks which have not been realised by him. A metalled road to be used by Renard road trains is proposed by him. In India this form of traction, owing to its cost and injury to roads, has been abandoned after a full trial. It would entail prohibitive cost to make a metalled road in Persia which constant use of train or other type of heavy motor vehicle would not cut up. A preliminary survey by Government official, so that "some sort of assurance from competent authorities that the project is within the range of practical possibilities" may be given to financiers, is also proposed by Mr. Chick. We are afraid that, if report were favourable and scheme proved a failure, this would entail responsibility upon us. We suggest that, should it be decided eventually to proceed with scheme, some competent consulting engineer in London, whose report would not involve Government in responsibility, should undertake survey.

Enclosure 2 in No. 30.

Lieutenant-Colonel Cox to Government of India.

(Telegraphic.) P. Bushire, April 12, 1911.

I HAVE sent the following to His Majesty's Minister, Tehran:—

"Your telegram No. 63.

"In reply to my telegram dated the 6th March, the Government of India have expressed the opinion that in all circumstances it will be best to defer the proposed survey of the Firuzabad route. From papers which have since reached me, I deduce that they arrived at this conclusion in connection with statement of views which they had just sent home on the railway question generally, and in which they had expressed the opinion that in the event of the Bunder Abbas-Shiraz-Mohammerah line taking shape Bushire would no longer be of importance as a trading port, and the connection of Bushire with the railway would not be necessary. I incline to view that Bushire Harbour is capable of considerable [?] improvement, and that as existence of Bushire-Shiraz trade artery rests on tribal and administrative conditions, it will not easily divert. The construction of the Bunder Abbas-Shiraz-Mohammerah line seems a comparatively remote prospect, and in any case the section onward from Firuzabad will form part of that alignment. You will have received by this time the enclosure of my despatch dated the 5th ultimo, which was sent to London and Calcutta. After examining it, will you kindly communicate your final views to Government of India and myself."

Enclosure 3 in No. 30.

Captain L. E. Hopkins to India Office.

Sir, 16, Charing Cross, June 16, 1911.
AS there are very few, if any, railway engineers besides myself who have travelled in Southern Persia in recent years, I have the honour to request you will recommend me to the Foreign Secretary, or allow me to offer my services to the Foreign Secretary, if the survey or construction of railways in Persia be under consideration.

I have, &c.
L. E. HOPKINS.

Enclosure 4 in No. 30.

India Office to Captain L. E. Hopkins.

Sir, India Office, July 6, 1911.
I AM directed by the Secretary of State for India to inform you, in reply to your letter of the 16th June, that your application will receive consideration if the employment of British officers in the survey or construction of railways in Persia is contemplated in the near future.
Copy of your letter and of this reply is being communicated to the Foreign Office and to the Government of India.

I am, &c.
R. RITCHIE.

[26571] No. 31.

Sir G. Buchanan to Sir Edward Grey.—(Received July 7.)

(No. 143.)
(Telegraphic.) P. St. Petersburg, July 7, 1911.

PERSIAN Customs.

Please see your telegram No. 319 of the 6th July. Acting Minister for Foreign Affairs is unable to express an opinion on the conflict which has arisen about the Customs as the Russian Minister at Tehran has not yet reported on the matter.

M. Neratof evidently think that M. Poklewsky must have some good reason for supporting M. Mornard, and he is telegraphing to ask Poklewsky's views.

[26572] No. 32.

Sir G. Buchanan to Sir Edward Grey.—(Received July 7.)

(No. 144.)
(Telegraphic.) P. St. Petersburg, July 7, 1911.

TURCO-PERSIAN frontier.

Please see telegram No. 157 of the 6th July from His Majesty's chargé d'affaires at Constantinople.

M. Neratof informs me that he spoke to the Turkish Ambassador yesterday strongly on the subject of our identic communication to the Ottoman Government. M. Neratof thinks that we should insist on Turkish compliance with our demands.

[26570]

No. 33.

Mr. Marling to Sir Edward Grey.—(Received July 7.)

(No. 163.)

(Telegraphic.) P.

Constantinople, July 7, 1911.

TURCO-PERSIAN frontier.

Minister for Foreign Affairs seemed in a very conciliatory frame of mind, and Russian Ambassador called on him yesterday. His Excellency replied verbally to identic communication in following sense :—

"The delegates, on their departure from Urumia with their escorts, will, if necessary, be accompanied by an additional escort of thirty soldiers. The English and Russian escorts need only be dispensed with when the delegates cross the Persian frontier into territory that is without doubt Turkish—this point is, of course, subject to the conditions laid down by the two identic communications. The local authorities will be instructed in the above sense, and asked to take precautions that no incident of any kind shall occur.

"It is advisable that the Turkish consul at Urumia should be informed as to the destination of the delegates."

My Russian colleague regards this answer as wholly satisfactory, and is telegraphing to his Government.

(Above telegram refers to my telegram No. 157 of the 5th July.)

[26457]

No. 34.

Sir G. Barclay to Sir Edward Grey.—(Received July 7.)

(No. 234.)

(Telegraphic.) P.

Tehran, July 7, 1911.

I HAVE the honour to report that the Medjliss yesterday authorised Mr. Morgan Shuster almost unanimously to engage "a financial assistant for the organisation of a Treasury gendarmerie." I understand that Mr. Shuster confidentially informed the Medjliss while this proposal was under consideration that he had decided to offer the appointment to the military attaché of His Majesty's Legation. He has now done so, stating in his letter to Major Stokes that Stokes would be of great use to the Persian Government in the capacity proposed on account of his thorough knowledge of the country and its general conditions, of his military training, and of his acquaintance with the language.

The duties of the Treasury gendarmerie are described as being to support and aid, "especially in the southern provinces," the financial officers, where necessary, in the collection of the direct taxes and of the maliat. Appointment would be under the orders of Mr. Shuster. An early answer is requested to enable the Treasurer-General, if it is favourable, to take immediate measures to cause His Majesty's Government to be formally approached.

Up till now I have not spoken to M. Poklewski, but as several of the foreign journalists are aware of Mr. Shuster's offer to Major Stokes, he will doubtless be informed of it without delay. I beg therefore to request that if you decide to take action at St. Petersburg I may be advised so that I may not seem to have concealed anything unduly from my Russian colleague.

I fear that it would be impossible to persuade Persian Government expressly to limit the appointment under reference to the south, as any action on our part in this direction would convince the Medjliss that we desired to give a political significance to the appointment, and I am disposed to believe that the present offer affords the nearest approach that we shall obtain to an opening for our road guards scheme.

I would add that Mr. Shuster's letter to the military attaché is the first intimation I received of this matter. Presumably in order to maintain an attitude of complete independence of foreign influence the Treasurer-General has not up till now associated with any foreign legation.

[26997]

No. 38°.

Sir G. Barclay to Sir Edward Grey.—(Received July 10.)

(No. 239.)

(Telegraphic.) R.

Tehran, July 10, 1911.

HIS Majesty's consul reports rioting at Kermanshah, where mob have looted and burnt public offices. I have reminded Persian Government of their responsibility for safety of consulate.

[1505]

L°

[26575]

No. 35.

Sir G. Barclay to Sir Edward Grey.—(Received July 7.)

(No. 235.)

(Telegraphic.) R.

Tehran, July 7, 1911.

SIR G. LOWTHER'S telegram No. 157 of 5th July.

Delegates have left Urmia with their escorts, proceeding southwards and keeping close to lake, so as to keep as long as possible in undisputed Persian territory. They are in touch with telegraph line.

[24894]

No. 36.

Sir Edward Grey to Sir G. Barclay.

(No. 193.)

(Telegraphic.) P.

Foreign Office, July 8, 1911.

POST of acting vice-consul at Kasr-i-Shirin.

Please see your despatch No. 62 and your telegram No. 225 of the 26th June.

Would you be inclined to recommend Mr. Soane for this post, in consideration especially of the following facts:—

Soane's influence with the natives and general ability are urged by Greenway as reasons for his appointment. Mr. Greenway also states that Soane, who is now living honourably and regrets the Kermanshah incident, has dealt quite straightforwardly with the oil company.

[26718]

No. 37.

Sir G. Barclay to Sir Edward Grey.—(Received July 9.)

(No. 236.)

(Telegraphic.) R.

Tehran, July 9, 1911.

SITUATION is again disquieting at Shiraz, where a force of some eighty riflemen from a neighbouring village have occupied a position in town, demanding from governor surrender of murderer of one of their comrades. Governor-General attributes situation to intrigues of Kawam's followers, and Persian Government have asked me to threaten Kawam that if these continue he will be handed over to Governor-General. His Majesty's consul denies this charge, malcontent villagers having no connection with Kawam. I have nevertheless given Kawam a serious warning that his followers must be kept quiet.

[26719]

No. 38.

Sir G. Barclay to Sir Edward Grey.—(Received July 9.)

(No. 237.)

(Telegraphic.) R.

Tehran, July 9, 1911.

FOLLOWING sent to His Majesty's representative at Shiraz, No. 119:—

"Persian Government assure me that they are satisfied with guarantees given by Nizam respecting safety of Kawam, and they request me to instruct you to send latter to Europe according to Nizam's arrangements.

"You should inform Kawam of Persian Government's assurances, and ask him to make arrangements with Nizam with a view to his journey to Bushire. I presume he will decline, and you should not insist on his doing so; but in that case it would be well that he should state exactly what further safeguards he requires."

[26822]

No. 39.

Sir G. Barclay to Sir Edward Grey.—(Received July 10.)

(No. 240.)

(Telegraphic.) P.

Tehran, July 10, 1911.

IN continuation of my telegram No. 233 of the 5th July, I have the honour to report that the Treasurer-General and the Administrator-General of Customs appear to have come to an understanding. I report this, however, with some reserve, as each professes to have emerged a victor from the dispute. I will report further when I am in possession of fuller details.

[27002]

No. 40.

Sir G. Barclay to Sir Edward Grey.—(Received July 10.)

(No. 241.)

(Telegraphic.) R.

Tehran, July 10, 1911.

MY telegrams Nos. 192 of 2nd June and 195 of 5th June.

Russian Minister tells me that pillaging of Shahsevens has extended even to west of Tabreez, and that road from Tabreez to Ardebil and that to Tehran as far as Mianeh are very unsafe. I have received similar reports from British consul.

[27008]

No. 41.

Sir G. Barclay to Sir Edward Grey.—(Received July 10.)

(No. 242.)

(Telegraphic.) R.

Tehran, July 10, 1911.

MY telegram No. 236 of 9th July.

Governor-General issued a proclamation on the 8th July that after twenty-four hours he would bombard quarter of town where malcontent riflemen are in position and where Kawam's house is situated. Proclamation speaks of disorders as due to Kawam's instigation, though I have repeatedly assured Persian Government that Kawam is allowed no communication with outside except through acting consul.

Governor-General has since given twenty-four hours' more grace.

Acting consul, at Governor-General's request, is instructing British subjects to leave threatened quarter.

I have held Persian Government responsible for any losses occasioned to British subjects, and I am protesting against Governor-General's allegations as to Kawam's intrigues from consulate.

[26457]

No. 42.

Sir Edward Grey to Sir G. Buchanan.

(No. 327.)

(Telegraphic.) P.

Foreign Office, July 10, 1911.

TREASURY gendarmerie (see Tehran telegram No. 234 of 7th July).

You should ask views of Russian Government, explaining circumstances, and saying that until now His Majesty's Government have heard nothing of the appointment.

[26380]

No. 43.

Sir Edward Grey to Sir G. Buchanan.

(No. 328.)

(Telegraphic.) P.

Foreign Office, July 10, 1911.

TREASURER-GENERAL.

You should explain to Russian Government situation as shown in my telegram No. 319 of 6th July and Tehran telegrams Nos. 232 and 233 of the 5th and 6th July, pointing out that if the law is observed giving control to Treasurer-General, Russian interests will be in no danger. You should say that for this reason His Majesty's

Government earnestly hope that M. Poklewski may be instructed to remain neutral in the dispute between the Persian Government and M. Mornard. Position of bank is merely one of obedience to the law.

See Sir G. Barclay's telegram No. 232, which refers to Tehran manager's letter of 29th June last year, of which I am sending copy by post. This letter deals with administrator's habit of supplying from southern customs deficits in receipts of northern customs and contrariwise. This system renders it impossible to estimate value of either security, and is a reprehensible method.

[26575]

No. 44.

Sir Edward Grey to Sir G. Buchanan.

(No. 329.)

(Telegraphic.) R.

Foreign Office, July 10, 1911.

MR. MARLING'S telegram No. 163 of the 7th July.

Suggest to Russian Minister for Foreign Affairs that two Governments should inform Porte that delegates have started, and should express hope that escort promised should be sent at once to accompany them.

(Repeated to Constantinople, No. 217, and Tehran, No. 196.)

[21252]

No. 45.

Foreign Office to Board of Trade.

Sir,

Foreign Office, July 10, 1911.

WITH reference to your letter of the 31st May relative to Mr. Chick's proposal for a British concession for a motor-road from Bushire to Shiraz, I am directed by Secretary Sir Edward Grey to transmit to you herewith a copy of the letter which has been addressed to the India Office in reply to their letter of the 12th April last,* copy of which was forwarded to you on the 10th May.

I am to explain that Sir E. Grey is disposed to view the construction of a motor-road from Bushire to Shiraz more favourably than that of a branch railway from Bushire to Ispahan, via Shiraz, in connection with the trans-Persian Railway. His reason for this view is that a railway would be more difficult and costly to build, and would, moreover, be useless if a branch line were also built, as has been suggested, from Bunder Abbas to Shiraz, whereby all trade would be diverted from Bushire, which, in the opinion of the Government of India, will always be a bad port, while Bunder Abbas may be made a good one.

I am to add that the desire of the Board to receive the views of the Indian Government on the proposal has been noted.

I am, &c.

LOUIS MALLET.

[27165]

No. 46.

Messrs. Dixon and Co. to Foreign Office.—(Received July 11.)

Sir,

Princess Street, Manchester, July 10, 1911.

IN your letter of the 13th June last you were kind enough to inform us that His Majesty's Minister at Tehran had presented a complete list of our outstanding claims to the Persian Government. We understand the justice of our claims is not disputed or questioned, and the only reason for their non-settlement has been the lack of funds; as we now learn that the loan to the Persian Government will very shortly be completed, we would respectfully urge that this is a most favourable time for demanding from the Persian Government an immediate settlement of these claims. We feel that it cannot be necessary for us to remind you of the very grave loss and anxiety we have been put to in these matters, and we can only hope that very soon now our long exercised patience may be rewarded through your kind assistance.

With regard to the security of the caravan routes, we are in receipt of mail

* See Part XXVI, No. 130.

advices dated Bushire, 18th June, informing us that the post from Bushire to Shiraz had just been robbed and all the parcels taken away, and that in order to avoid detection the robbers had beheaded the postmen. Our advices stated that Khorshid Khan, against whom military operations had been undertaken by the Governor of Shiraz, is still at large, and waiting for an opportunity to rob. Our previous week's advices were to the effect that twenty-two bales of carpets and a number of cases of opium had been robbed on the Bushire-Shiraz route. With the resources that the Shiraz governor and the Soulet-ed-Dowleh conjointly have at their disposal, we feel that strong pressure should be brought to bear upon the Persian Government to compel the Governor of Shiraz to maintain order and keep the Bushire to Shiraz route free from brigands.

We are, &c.
H. C. DIXON AND Co.

[92713]

No. 47.

Imperial Bank of Persia to Foreign Office.—(Received July 11.)

Sir,
25, Abchurch Lane, London, July 10, 1911.
I HAVE the honour to transmit herewith, for your information, translation of a telegram received by us on Saturday last from our chief office in Persia.
I have, &c.
G. NEWELL, Manager.

Enclosure in No. 47.

Imperial Bank of Persia (Tehran) to Imperial Bank of Persia (London).

(Translation.)
(Telegraphic.)

Tehran, July 8, 1911.

REFERRING to our recent telegram on this question, Persian Government and Parliament have utmost confidence in the Treasurer-General of Persia. If Russia is allowed to prevent reforms instituted by the Treasurer-General of Persia, there is reason to fear he will resign.

[27232]

No. 48.

Sir G. Buchanan to Sir Edward Grey.—(Received July 11.)

(No. 147.)

(Telegraphic.) P.

St. Petersburg, July 11, 1911.

YOUR telegram No. 329 of 10th July: Turco-Persian frontier.
Acting Minister for Foreign Affairs agrees with proposed communication to the Porte.

[27233]

No. 49.

Sir G. Buchanan to Sir Edward Grey.—(Received July 11.)

(No. 148.)

(Telegraphic.) P.
PERSIA.

St. Petersburg, July 11, 1911.

As instructed in your telegram No. 327 of the 10th July, I spoke to-day to the Acting Minister for Foreign Affairs on the subject of the proposed creation of a Treasury gendarmerie. His Excellency said that he would raise no objections to such a gendarmerie, as he was in favour of all measures calculated to restore order in Persia, but he thought that should the necessities of the new service

require that it be under the command of a single officer, it would be better to choose that officer from among the minor Powers. If it were found possible, on the other hand, to split up the command, he thought that the posts might be filled by a Russian and British officer respectively.

I pointed out to his Excellency that it might be very difficult to secure the right man for the post, and that Major Stokes appeared to be eminently qualified to be in command of the force.

M. Nératof rejoined that another Swedish officer would not be difficult to secure.

[27323]

No. 50.

Sir G. Buchanan to Sir Edward Grey.—(Received July 11.)

(No. 150. Secret.)

(Telegraphic.) P.

St. Petersburg, July 11, 1911.

RUSO-GERMAN negotiations.

When I saw M. Nératof to-day his Excellency read to me the draft agreement as amended by him. He proposes to hand this text to Count Pourtalès on Friday next, the 14th July.

The preamble and the 1st article of this document are identic with the version of them given in my despatch No. 44, Secret, of the 21st February last.

Considerable modifications have been introduced into the 2nd article. As it is now worded, Russia only undertakes to begin the construction of the line from Khanikin to Tehran two years after the completion of the branch line from Sadijeh, and to complete it in another four years. It had previously been demanded by Germany that the Khanikin-Tehran line should be completed in two years from the date of the completion of the Sadijeh branch. Russia is to fix the *tracé* of the line, due consideration being given to the wishes of Germany in the matter; both Governments agree that no differential rates are to be imposed on either of the two lines. Russia reserves the right to renounce the concession if she is unable to begin the construction within the prescribed two years.

As regards article 3, the Russian Government undertakes not to oppose the realisation of the Bagdad Railway nor to put any obstacles in the way of the participation of foreign capital; no pecuniary nor economic sacrifices are, however, to be demanded of the Russian Government.

M. Nératof promised that he would give the German Ambassador to understand that the omission of the word "Konieh" was assented to on the understanding that all the other conditions laid down in the agreement were accepted by Germany.

An alteration has also been effected in the concluding portion of this article which deals with the railways to the north of Khanikin. The only engagement that the German Government now takes is to make no decision with regard to them without previously coming to an understanding with the Russian Government. The 4th article of the draft has reference to the concluding sentence of the 2nd article. Should the Russian Government renounce the concession of the Khanikin-Tehran branch the Russian Government reserves to itself the right to cede it to a foreign financial syndicate, to participate in the enterprise to such extent as she may wish, to have all the same privileges as the constructor of the line or the most favoured nation, and to have the right to buy the line at the cost price.

It is expected by the Acting Minister for Foreign Affairs that this last article will be objected to by the German Government, that the latter will insist on securing the reversion of the concession, and that she will press for the earlier completion of the line in the event of the Russian Government's deciding to construct it themselves.

As regards the retention of the term "Konieh-Bagdad Railway," it seemed useless to press M. Nératof further on the point. I therefore confined myself to hoping that he would make it quite clear to Count Pourtalès that the German Government could not expect any further concessions.

[27193]

No. 51.

Sir G. Barclay to Sir Edward Grey.—(Received July 11.)

(No. 243.)

(Telegraphic.) P.

Gulahek, July 11, 1911.

ADMINISTRATOR-GENERAL of Customs and Treasurer-General.

Reference to your telegram No. 328 to Sir G. Buchanan, dated the 10th July.

I venture to deprecate use at St. Petersburg of letter from Tehran manager of the Imperial Bank of Persia. It would be unfortunate if the conflict between Messrs. A. O. Wood and Mornard were unnecessarily exacerbated, and up till now the question of irregularities of Customs administration has not been adduced in support of Shuster's standpoint.

[27008]

No. 52.

Sir Edward Grey to Sir G. Barclay.

(No. 198.)

(Telegraphic.) R.

Foreign Office, July 11, 1911.

YOUR telegrams Nos. 236, 237 of 9th July and 242 of 11th July: Situation at Shiraz.

Your action and instructions to consul approved.

[23456]

No. 53.

Sir Edward Grey to Sir C. Greene.

(No. 13.)

Sir,

Foreign Office, July 11, 1911.

I HAVE received your despatches No. 36 of the 9th May and No. 46 of the 14th ultimo, reporting that the Danish Geographical Society propose to send an expedition to South Arabia, for which they request the approval of His Majesty's Government and the assistance of British officials. A similar communication has been received from the Danish Minister at this Court in the note of which a copy is enclosed.*

I request that you will explain to the Danish Minister for Foreign Affairs that His Majesty's Government have always been unwilling to undertake to protect their own officers and subjects in the regions which the members of the Danish expedition propose to visit, and that they do not in fact allow British travellers to enter those regions. In these circumstances, His Majesty's Government, to their great regret, find themselves unable to accord any facilities to the Danish explorers or offer them any protection.

I am, &c.
E. GREY.

[25433]

No. 54.

Mr. Mallet to Mr. Greenway.

Dear Mr. Greenway,

Foreign Office, July 11, 1911.

I AM obliged to you for your letter of the 15th June enclosing the draft of a telegram which you propose to send to Mr. David Brown of the Imperial Bank of Persia at Tehran, instructing him to apply in the name of the Persian Railway Syndicate for a concession to construct railways in Southern Persia.

It is observed that the proposed railways are to be light railways of 2 ft. 6 in. gauge. The question of gauge is of importance, especially on the proposed Bunder Abbas-Kerman line, which will be a valuable adjunct, strategically and commercially, of the Trans-Persian Railway should that railway ever be constructed. In view of this consideration, Sir Edward Grey thinks it right to stipulate that provision should be made in the construction of this line for the eventual widening of the gauge.

* See Part XXVI, No. 341.

It is also noticed that no mention is made in the draft telegram for any connection by rail between Bunder Abbas and Mohammerah, the proposed line from Bunder Abbas to Shiraz being apparently intended to stop at the latter place. His Majesty's Government attach great importance to the establishment of railway connection between Bunder Abbas and Mohammerah, or at all events to securing the possibility of establishing it. Sir E. Grey therefore considers that this concession should also be applied for, even though the line may not be immediately constructed.

It is proposed in the draft telegram that the interest on the bonds issued to provide capital for the enterprise should be partly secured on a special increase of 4 per cent. in the customs duties of the southern ports of Persia. His Majesty's Government cannot pledge themselves to agree to this increase, which would involve the imposition of a further burden on trade, the greater part of which is British and British Indian, and which, as it would require the consent of other Powers, would give them an opportunity of placing difficulties in the way of the undertaking. Sir E. Grey would accordingly request that this point may be omitted from the telegram, and would suggest that the newly-appointed American Treasurer-General or his assistants might be able to devise some alternative form of security.

Subject to the foregoing conditions, Sir E. Grey sees nothing to object to in the terms of the draft telegram.

I am, &c.

LOUIS MALLET.

[25433]

No. 55.

Foreign Office to India Office.

Sir,

Foreign Office, July 11, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 29th ultimo relative to the proposed application by the Persian Railway Syndicate to the Persian Government for a concession for the construction of railways in Southern Persia.

I am to inform you in reply that Sir Edward Grey shares the view of the Marquess of Crewe that it is unnecessary for His Majesty's Government to engage in a discussion on the subject with the Russian Government at present, but he considers that it will be proper to consult them before construction is actually begun, since His Majesty's Government can hardly regard themselves as absolved from their undertakings merely because they are neither applying themselves nor actively supporting the syndicate's application for the concession. Sir Edward Grey feels that omission to consult the Russian Government eventually would be regarded rightly by them as disingenuous on the part of His Majesty's Government.

I am to transmit to you herewith copy of the reply returned to Mr. Greenway's letter of the 15th June,* from which it will be observed that Sir Edward Grey concurs in the views expressed in your letter, and has acted accordingly.

I am, &c.

LOUIS MALLET.

[24777]

No. 56.

Foreign Office to Messrs. Dixon and Co.

Gentlemen,

Foreign Office, July 11, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 19th ultimo relative to the insecurity of the roads in Southern Persia. A copy will be forwarded to His Majesty's Minister at Tehran.

I am to inform you in reply that, according to a despatch dated the 8th June, which has recently been received from Sir G. Barclay, apart from the depredations of the Kugheliu in the neighbourhood of Kumishe, from which the villagers and local farmers seemed the sufferers, the only locality on the road between Bushire and Isfahan reported dangerous for the moment was Kamarej, a little distance north of

* No. 54.

[1505]

N

Bushire, where Mollah Khershid, the khan dispossessed by Nizam-es-Sultaneh, the new Governor-General of Fars, was revenging himself by burning crops, and had robbed a caravan of eleven bales of carpets, the ownership of which, at the time of writing, was still unknown.

I am, &c.
LOUIS MALLET.

[27347]

No. 57.

Sir G. Buchanan to Sir Edward Grey.—(Received July 12.)

(No. 149.)

(Telegraphic.) P.

St. Petersburg, July 11, 1911.

I SAW M. Nératof to-day, and explained fully to his Excellency the circumstances referred to in your telegram No. 328 of the 10th July, but the Acting Minister for Foreign Affairs informed me that to his great regret he was not able to send M. Poklewsky instructions in the sense desired by you.

The agreement, M. Nératof said, came to last December between the Persian Government and the Russian bank, and the letter which the Administrator of Customs addressed to the bank at the same time, conferred on the Imperial Government the right to be consulted before any change, which might have an unfavourable effect on Russian interests, was effected.

A verbal understanding had been come to, though no written agreement had been made, when the Americans had entered the service of the Persian Government, with the consent of the two Governments, that their functions were to be those of financial advisers. The office of controller or treasurer-general was now claimed by Shuster; neither of the two Governments had agreed to this. This was a matter which touched Russian interests very closely, and Shuster was going beyond his competence without previous consultation with the two Powers.

The only satisfactory and efficient branch of the Persian administration was the Customs, and as Mornard and many of his subordinates would probably resign this would now lapse into a state of confusion.

Without encroaching on the administration of the Customs, there were many opportunities left open to the Americans of effecting reforms in the financial system.

It was highly undesirable, from a political standpoint, to allow interference by third parties, as such interference might be held by other great Powers to constitute a precedent, and Shuster, very likely owing to ignorance, was disregarding completely the peculiar position of Great Britain and Russia in Persia. If the Belgian staff in the Customs administration went financial control by Americans would ensue, as their places would probably be filled by Americans.

I endeavoured to persuade the Acting Minister for Foreign Affairs to take a brighter view of the question, but failed entirely. His Excellency suggested that Sir G. Barclay and M. Poklewsky might concert together the measures which they thought most likely to be successful in bringing about an agreement between the Administrator of the Customs and Mr. Shuster. He said that he had sent instructions to Count Benckendorff to make a communication to you.

I mentioned to M. Nératof the irregularity referred to by Sir G. Barclay in his telegram No. 243, but his Excellency made no observation. I did not receive Sir G. Barclay's telegram until after my return from the Ministry for Foreign Affairs.

[27354]

No. 58.

Sir G. Barclay to Sir Edward Grey.—(Received July 12.)

(No. 244.)

(Telegraphic.) R.

Tehran, July 12, 1911.

YOUR telegram No. 193.

His Majesty's consul at Kermanshah sees no objection to Soane's appointment other than that of previous episode, and thinks that his local knowledge might be useful.

I agree, but think that, in view of state of anarchy existing, it should be made clear to oil company that appointment must not involve additional responsibility on His Majesty's Government for safety of Soane.

I have informed Russian Minister of proposed appointment.

[27355]

No. 59.

Sir G. Barclay to Sir Edward Grey.—(Received July 12.)

(No. 245.)

(Telegraphic.) P.

Tehran, July 12, 1911.

SHIRAZ.

In continuation of my telegram No. 242 of the 10th July:

The bombardment threatened by the Governor-General did not take place, and Shiraz is relatively quiet.

[27357]

No. 60.

Sir G. Barclay to Sir Edward Grey.—(Received July 12.)

(No. 246.)

(Telegraphic.) R.

Tehran, July 12, 1911.

PERSIAN Government learn that Mujallah-es-Sultan, a favourite of the ex-Shah, who was in bast at Russian Legation with His Majesty, and left Persia with him, is visiting Shahsevars on behalf of His Majesty, and has delivered letters to tribal chiefs.

Persian consul at Baku reports that Sardar Arshad, a friend of Amir Bahadur, and two companions have arrived at Baku with arms and ammunition, and are giving out that ex-Shah will return to Persia in a fortnight. I understand from Russian Minister that these men have been arrested by Russian authorities.

It might be well to warn ex-Shah, who is, I believe, in Vienna, against intriguing. If intrigues are proved against him when he is out of Russia he forfeits his pension.

[23688]

No. 61.

Sir Edward Grey to M. Brun.

Sir,

Foreign Office, July 12, 1911.

I HAVE duly received your note of the 16th ultimo relative to the scientific expedition which the Royal Danish Geographical Society proposes to send to Southern Arabia, in which you request that assistance and protection may be afforded to the members of the expedition by His Majesty's representatives. I have the honour to inform you, in reply, that His Majesty's Government have always been unwilling to protect their own officers and subjects in the regions which the Danish expedition proposes to visit, and that they do not in fact allow British travellers to enter those regions. In these circumstances His Majesty's Government, to their great regret, find themselves unable to accord any facilities to the Danish explorers, or offer them any protection.

I have, &c.
E. GREY.

[27450]

No. 62.

Messrs. H. C. Dixon and Co. to Sir Edward Grey.—(Received July 13.)

*Whitworth House, Princess Street, Manchester,
July 12, 1911.*

Sir,

WE are obliged for your letter of the 11th July, and thank you for the information, dated the 8th June, recently received from Sir George Barclay. In this connection we would beg to refer you to our letter of the 10th July, in which we omitted to state that Khorshid Khan was known to be on the look-out for an opportunity to rob both our own goods and other shippers'. We are greatly obliged by your promise to forward a copy of our letter to His Majesty's Minister at Tehran, and trust that the Persian Government will be influenced to take the necessary steps to restore order in the disturbed districts.

We are, &c.
H. C. DIXON AND CO.

[27471]

No. 63.

Sir G. Barclay to Sir Edward Grey.—(Received July 13.)

(No. 247.)

(Telegraphic.) P.

Gulahek, July 13, 1911.

OXIDE.

I should be glad to know the present position of the Ellinger case.

I learn that the Treasurer-General has taken in hand the question of the compensation to Muin-ut-Tujjar (please refer to my telegram No. 23 of the 25th January), and further payments to him by Strick on this score have, I understand, been stopped until Muin's claim has been further investigated.

If the presentation of a claim to Persian Government is still under consideration it might be politic to move at this juncture while the matter is occupying Mr. Shuster's attention.

A friendly arrangement between the two parties is more than ever to be desired, as it will be extremely difficult to recover our claim if Treasurer-General reports adversely on it to the Persian Government.

[27472]

No. 64.

Sir G. Barclay to Sir Edward Grey.—(Received July 13.)

(No. 248.)

(Telegraphic.) Decode.

Tehran, July 13, 1911.

MY telegrams Nos. 241 of 10th July and 246 of 12th July.

Acting consul at Tabreez reports Karadaghis as well as Shahsevans are in complete revolt. Pillaging proceeding on large scale neighbourhood of Tabreez. Tabreez population outer suburbs and neighbouring villages are taking refuge in town. Acting consul confirms information Persian Government regarding presence Mujallah-es-Sultan with Shahsevans.

[27473]

No. 65.

Sir G. Barclay to Sir Edward Grey.—(Received July 13.)

(No. 249.)

(Telegraphic.) P.

Gulahek, July 13, 1911.

IN continuation of my telegrams No. 141 and No. 190 of the 27th April and the 28th May respectively, I have the honour to report that, owing to robberies, traffic is interrupted on the Bakhtiari road.

No suitable governor has yet been appointed to Behbahan. I am continuing to press Persian Government in the matter.

[27466]

No. 66.

Sir G. Barclay to Sir Edward Grey.—(Received July 13.)

(No. 250.)

(Telegraphic.) Decode.

Tehran, July 13, 1911.

CONSUL at Kerman reports anti-Parsi agitation. One hundred Parsis, including leading merchants, have taken bast consulate.

[27233]

No. 67.

Sir Edward Grey to Sir G. Barclay.

(No. 199.)

(Telegraphic.) P.

Foreign Office, July 13, 1911.

TREASURY gendarmerie.

Please see St. Petersburg telegram No. 148 of the 11th instant.

I am anxious for your views.

Would a possible solution of difficulty, in your opinion, be in appointment of Swedish officer or of a subject of some other minor Power?

[27547]

No. 68.

Sir Edward Grey to Sir G. Barclay.

(No. 203.)

(Telegraphic.) P.

Foreign Office, July 13, 1911.

TREASURER-GENERAL.

Letter referred to in paragraph 2 of St. Petersburg telegram No. 149 of the 11th July has not been seen by us.

A telegram sent by M. Poklewski to Count Benckendorff has been communicated most confidentially to us. It states that treasurer-general's action has much annoyed Belgian Legation on account of the fact that conditions of administrator's appointment are infringed by it. Please report whether this is the case, and whether the Persian Government are really ignoring these conditions. State also your opinion as to whether, if they are doing so, they are justified in disregarding the conditions without first coming to an arrangement with the Belgian Government and officials.

See last paragraph but one of above-mentioned telegram: You should act on M. Nératof's suggestion, and consult M. Poklewski.

His Majesty's Government consider that if any good is to result from presence of treasurer-general in Tehran he must have executive powers (though this point need not be raised), but that Russia has it in her power to make his position impossible if she is not consulted. They consider, therefore, that in the interest of the treasurer-general's work, the success of which it is important to promote, it is desirable that some arrangement be come to which is acceptable to Russia.

Last paragraph is for your information only.

[27232]

No. 69.

Sir Edward Grey to Sir G. Louther.

(No. 271.)

(Telegraphic.) R.

Foreign Office, July 13, 1911.

SIR G. BUCHANAN'S telegram No. 147 of 11th July.

You may proceed accordingly when your Russian colleague is similarly instructed.

[27323]

No. 70.

Sir Edward Grey to Sir G. Buchanan.

(No. 335.)

(Telegraphic.) P.

Foreign Office, July 13, 1911.

POTSDAM meeting and Russo-German agreement.

In connection with your telegram No. 150 of yesterday, you should point out to M. Nératof that article 3, as now amended, does not tally with M. Sazonow's categorical assurance that the agreement did not apply to that part of the Bagdad Railway south of Bagdad. You may say, however, that His Majesty's Government do not press this point as long as there is no room for misunderstanding as to Russian freedom of action in regard to customs increase. Germany might embarrass future negotiations by raising this point if it has not been made clear to her, as appears to be the case.

[27357]

No. 71.

Sir Edward Grey to Sir G. Buchanan.

(No. 338.)

(Telegraphic.) R.

Foreign Office, July 13, 1911.

SIR G. BARCLAY'S telegram No. 246 of 12th July: Intrigues of ex-Shah.

Enquire whether Russian Government have confirmation of these reports, and say that, if they have, we are willing to instruct His Majesty's Ambassador at Vienna to join his Russian colleague in conveying warning to ex-Shah.

(Repeated to Vienna, No. 71, and Tehran, No. 200.)

[28140]

No. 72.

Sir Edvard Grey to Sir G. Barclay.(No. 84.)
Sir,*Foreign Office, July 13, 1911.*

THE Persian special commissioner and the Persian Minister came to see me to-day, and asked what advice the special commissioner might take back to Persia and what news he might report. They dwelt upon the improved condition of the southern roads.

I told them we understood that more trade was going in by these roads, but that the situation was anything but secure. We had shown how single-minded we were in the matter by acquiescing willingly in the employment of Swedish officers, which showed that we had no political objects and nothing but the interests of British trade in view. It was necessary to organise a force which would establish security.

They admitted cordially that our attitude in the matter of Swedish officers had been much appreciated.

As they asked for my advice as to railways and frontier difficulties, I said that the first steps for Persia to take were to organise her finances, strengthen her Government, and to introduce good order into the districts under her control. The settlement of frontier difficulties and railway questions would then be much easier.

I am, &c.
E. GREY.

[27535]

No. 73.

M. Brun to Sir Edvard Grey.—(Received July 14.)

Mr. Secretary of State,

Danish Legation, London, July 13, 1911.

I BEG to acknowledge the receipt of the note of the 12th instant, by which you were good enough to inform me that His Majesty's Government, for the reasons indicated in your note, regret not to be able to accord any facilities or protection to the intended Danish scientific expedition to Southern Arabia (Oman and Hadramaut).

I have at once acquainted my Government with the contents of your note.

I have, &c.
C. BRUN.

[27604]

No. 74.

M. Poklewsky to Count Benckendorff.—(Communicated to Foreign Office, July 14.)

(Très Confidentiel.)

(Télégraphique.)

Téhéran, le 14 juillet, 1911.

UN conflit très regrettable vient d'éclater entre MM. Mornard et Shuster pour la délimitation de leurs attributions respectives.

M. Shuster, après que le Parlement eut voté ses pouvoirs, a écrit aux différentes banques pour les prier de refuser les chèques signés pour le compte de la Douane par M. Mornard; il a écrit en même temps à ce dernier avec l'exigence que toutes les recettes douanières lui soient remises, et qu'à l'avenir toutes les dépenses, y compris les traitements des employés de la Douane, soient effectuées par des chèques contre-signés par lui-même. M. Mornard considère de pareilles mesures comme incompatibles avec la dignité des fonctionnaires belges et comme de nature à porter atteinte à leur autorité aux yeux de leurs subordonnés indigènes; le Gouvernement belge, de son côté, avait dans le temps déclaré ne pouvoir admettre la subordination de ces fonctionnaires à d'autres étrangers.

En plus, notre accord au sujet de la conversion prévoit le droit de M. Mornard de prélever sur les recettes douanières une somme de 350,000 toman par an pour l'administration douanière et stipule que notre banque effectuera les dépenses obligatoires d'après les ordres du Ministre des Finances par l'entremise de l'Administration des Douanes.

Tout en sauvegardant ses droits et sa dignité, M. Mornard n'entend, bien entendu, nullement s'opposer à ce qu'après les paiements des différentes dépenses obligatoires, l'excédent des recettes soit mis à la disposition du Trésorier général.

La Banque Impériale de Perse a cru devoir se conformer aux instructions de M. Shuster et a refusé en deux occasions de faire honneur aux chèques de M. Mornard, sans même en prévenir ce dernier.

La Légation de Belgique a vivement ressenti ce procédé. Elle a saisi de l'affaire la Légation de Sa Majesté britannique et prévenu le directeur de la banque qu'un procès lui serait intenté si satisfaction n'était pas obtenue.

Notre banque se conformera aux instructions seulement en ce qui concerne l'excédent et pour le reste réglera entièrement sa conduite sur les dispositions de l'accord relatif à la conversion.

Quoique M. Shuster donne des assurances quant à l'exactitude des paiements qui nous intéressent, il y a, pourtant, nécessité pour nous à maintenir les stipulations de l'accord, car il faut envisager le cas où les fonctionnaires américains viendraient à se retirer et où un Persan serait nommé au poste de Trésorier général.

C'est en me basant sur ce qui précède, sur l'accord ci-dessus, sur la note de M. Hartwig et Mr. Marling du 22 février, 1908, et aussi sur nos rapports constants avec les fonctionnaires belges, que j'ai exprimé à mon collègue britannique combien je trouvais inadmissible le procédé de la Banque Impériale. En même temps, je suis énergiquement intervenu en faveur de M. Mornard auprès du Gouvernement persan avec insistance et force, et j'ai prévenu ce dernier qu'au cas où les fonctionnaires belges se retireraient je proposerais au Gouvernement Impérial de les remplacer par des Russes.

A mon grand regret, ni mon collègue britannique ni moi n'avons pu contribuer au règlement de l'incident, car M. Shuster n'avait pas cru devoir faire des visites aux représentants étrangers.

[27623]

No. 75.

Sir G. Barclay to Sir Edvard Grey.—(Received July 14.)

(No. 251.)

(Telegraphic.) R.

Tehran, July 14, 1911.

PRIME Minister returned to Tehran Sunday. Other Ministers resigned on Tuesday.

There is difficulty in forming a new Cabinet, as neither Regent nor Sipahdar is willing to accept responsibility of choosing Ministers, and majority of Medjliss cannot agree as to selection.

[27625]

No. 76.

Mr. Marling to Sir Edvard Grey.—(Received July 14.)

(No. 168.)

(Telegraphic.) P.

Constantinople, July 14, 1911.

TURCO-PERSIAN frontier.

The identic communication, authorised in your telegram No. 271 of yesterday's date, has been made to the Sublime Porte by the Russian Ambassador and myself.

[27634]

No. 77.

Sir G. Buchanan to Sir Edvard Grey.—(Received July 14.)

(No. 155.)

(Telegraphic.) P.

St. Petersburg, July 14, 1911.

SIR G. BARCLAY'S telegram No. 246 of the 12th July.

I am informed by Acting Minister for Foreign Affairs that he has heard that the individuals mentioned in telegram under reference have been arrested at Baku; his Excellency, however, has not yet succeeded in discovering whether they came from

the ex-Shah or not. He says that it is known that the Shahsebands are partisans of Mohamed Ali, but he is quite ignorant on the subject of Mujallel-es-Sultan.

He will instruct the Russian Ambassador at Vienna to warn the ex-Shah, who, however, he believes, is now at Carlsbad, and he concurs in the course suggested in your telegram No. 338 of the 13th instant.

[27471]

No. 78.

Sir Edward Grey to Sir G. Barclay.

(No. 204.)

(Telegraphic.) P.

HORMUZ oxide.

Please see your telegram No. 247 of the 13th July.

State of affairs at present is that scheme of compromise with Strick has been drawn up by Ellinger. The Board of Trade are now considering this scheme, and we expect a communication from them very shortly. Ellinger thinks Strick will accept the scheme, and if the Board of Trade think it practicable it will be submitted to Strick.

Foreign Office, July 14, 1911

[25672]

No. 79.

Sir Edward Grey to Sir G. Barclay.

(No. 80.)

Sir,

Foreign Office, July 14, 1911.

I HAVE received your despatch No. 88 of the 9th ultimo, forwarding copy of a report from His Majesty's consul at Ahwaz, relative to the agreement recently concluded between the Anglo-Persian Oil Company and the Bakhtiari khans, for the acquisition of land by the former from the latter.

A copy of that despatch has been communicated privately and confidentially to Mr. Greenway, vice-chairman of the company, and his attention has been drawn to the necessity of proceeding without delay to the erection of boundary pillars in accordance with the recommendation of Mr. Ranking, supported by yourself.

I entirely concur in your view that great credit is due to Mr. Ranking for the manner in which he conducted the difficult and protracted negotiations which resulted in this very satisfactory agreement, and I should wish you to convey to him an expression of my warm approval of his proceedings.

I am, &c.

E. GREY.

[25672]

No. 80.

Mr. Maxwell to Mr. Greenway.

(Private and Confidential.)

Dear Mr. Greenway,

Foreign Office, July 14, 1911.

IN the absence of Mr. Mallet I send you, for your confidential information, a copy of a despatch from Sir G. Barclay relative to the agreement recently concluded between the Anglo-Persian Oil Company and the Bakhtiari khans for the acquisition of land by the former from the latter,* and I would draw your attention to the need of proceeding without delay to the erection of boundary pillars, pointed out by Mr. Ranking and emphasised by Sir G. Barclay himself.

Sir Edward Grey shares Sir G. Barclay's view, that Mr. Ranking did exceedingly well for the company during the negotiations which preceded the signature of the agreement, and his proceedings will be warmly approved.

It is also satisfactory to read Mr. Ranking's appreciation of the help he received from Mr. Scott and Dr. Young.

I am, &c.

R. P. MAXWELL.

* No. 7.

[25673]

No. 81.

Mr. Mallet to Mr. Greenway.

(Private and Confidential.)

Dear Mr. Greenway,

Foreign Office, July 14, 1911.

I SEND you, for your confidential information, an extract from a despatch from our consul at Ahwaz to Sir G. Barclay relative to certain rumours current in the region of the Anglo-Persian Oil Company's operations regarding the supposed intentions of the company with respect to the disposal of the oil produced by the Bakhtiari Oil and First Exploitation Companies.*

We do not, of course, attach much importance to these rumours, but Mr. Ranking, having heard them, could hardly do otherwise than report them, and I think that you ought to know that they are current.

I have, &c.

LOUIS MALLET.

[25233]

No. 82.

Foreign Office to Treasury.

Sir,

Foreign Office, July 14, 1911.

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a letter from the India Office relative to the reorganisation of the Indian Political Department.†

It will be observed that the scheme now submitted by the Government of India and approved by the Secretary of State involves a slight increase in the amounts, of which a moiety will be claimed from Imperial funds, in respect of certain posts in Persia held by Indian officers, this increase, however, being considerably reduced by the concurrent abolition of certain other appointments similarly filled.

The scheme, as will be seen from the correspondence enclosed in the India Office letter, has been adopted as the best solution of the difficulty which had arisen, and only after long and careful consideration. It contains nothing to which Sir E. Grey can reasonably object, and, indeed, affects this department only in a small degree. The additional sum which Imperial funds will be called upon to contribute under its provisions is, moreover, trifling.

Sir E. Grey accordingly feels that he will have no ground for objecting to the claim of the India Office, and I am to express his hope that, when their request is received and transmitted to your department, the Lords Commissioners of the Treasury may see their way to sanction the charge on Imperial funds of the additional sum required.

I am, &c.

W. LANGLEY.

[27759]

No. 83.

Messrs. Baring Brothers and Co. to Sir A. Nicolson.—(Received July 15.)

Dear Sir Arthur Nicolson,

8, Bishopsgate, London, July 13, 1911.

WHEN calling on you this morning on behalf of Lord Revelstoke, Lord Errington took the opportunity of submitting to you the letter received by Lord Revelstoke from the Russian Minister of Finance, announcing the visit to this country of the Russian promoters of the scheme for a trans-continental railway through Persia.

In relating to you the nature of the conversation held between these Russian gentlemen, whose names are already known to you, and ourselves, Lord Errington had occasion to mention that the Russian Government had expressed their unwillingness to afford any direct financial guarantee towards the furthering of the scheme in question.

In this respect we understand that the British Government would adopt a similar attitude, and decline to give any direct financial guarantee for railway construction in Persia.

* No. 8.

† India Office, June 27, 1911.

[1505]

P

At the same time, mention was made of the fact that the Russian Government had informed the promoters that they were prepared to consider the question of an indirect guarantee to the scheme in contemplation by reserving a certain proportion of their railway revenue surplus for this purpose, in consideration of the increased traffic on lines in Russian territory, which would necessarily accrue from the opening of a trans-Persian railway to India.

It was suggested to us by the Russian gentlemen now in London that in view of the interest with which the Government of India may regard this scheme, they may see their way to expressing an opinion as to any steps they may be prepared to take in furthering the projected line, which has been brought to our notice by our Russian friends, in deference to whose wishes we venture to approach you in this matter.

We are, &c.
(For Baring Brothers and Co., Limited),
CECIL BARING, *Director*.

[27711]

No. 84.

Board of Trade to Foreign Office.—(Received July 15.)

Sir,

Board of Trade, July 14, 1911.

I AM directed by the Board of Trade to advert to your letter of the 2nd June, and to informal communications between officers of the Foreign Office and this department, with further reference to the subject of the shipment of red oxide from Hormuz.

The Board desire me to state, for Sir E. Grey's information, that they have received from Messrs. Ellinger, since the date of your letter, a communication setting out certain proposals made by Mr. Martin Ellinger in interviews at this Office and the Foreign Office, which are aimed at solving the difficulties of the existing situation. The Board understand that a copy of this letter has been communicated to your department, so that they assume that the Foreign Office are aware of the general effect of the proposals made. These are, briefly—

1. That the claims of Messrs. Ellinger and Messrs. Weir should be satisfied by the Persian Government by means of payment in kind instead of in money.
2. That the assent of that Government should be secured to the delivery to Messrs. Ellinger of the balance of 5,218 tons of oxide due under the contract between Messrs. Weir and the Muin-ut-Tujjar, shipments by Messrs. Strick being held in abeyance until after the date of the termination of Messrs. Weir's contract, on the 31st March, 1912.
3. That the balance of stocks of oxide held by Messrs. Ellinger and Messrs. Weir in Europe should be taken over by Messrs. Strick at their laying down cost, and further, that the 5,218 tons above referred to should be taken over by the same firm at the same price as those stocks.

The proposals 2 and 3 by themselves would reduce Messrs. Weir's present claim to a claim for the loss of ordinary profit on handling oxide, as shown in the attached statement, while it would leave Messrs. Ellinger's claim in respect of commissions substantially as at present. The aggregate claims, as shown in the statement, would thus amount to about 10,000*l.*, but it has to be remembered that the oxide was deliverable to Messrs. Weir under their contract with the Muin at 45*s.* per ton, while under the present contract of Messrs. Strick with the Persian Government it is deliverable at 40*s.* per ton. The value of the 5,218 tons of oxide which it is proposed that the Persian Government should deliver free to Messrs. Weir and Ellinger, at (say) 40*s.* to 45*s.* per ton f.o.b. Hormuz, will apparently offset the aggregate claims, apart from minor adjustments.

Messrs. Ellinger have further called the attention of the Board to the fact that the rate of interest specified as payable or rebate receivable in case of delay or anticipation of the due date for the instalments of payments under their contract with the Muin is fixed at 10 per cent. per annum. In view of this fact, and of the further facts that the rate at which the Persian Government is now raising its new loan is 5 per cent. per annum, and that the interest on a commercial claim would naturally be reckoned at a rate substantially higher than that on a secured Government loan, the Board are disposed to vary the suggestion contained in their letter of the 4th April, and to

recommend that it would be reasonable to calculate the claim for interest due to delay in realisation of stocks (owing to the fact that Messrs. Strick have been able to supply the market) at the rate of 10 per cent. per annum.

Should it prove possible to secure an agreement between the interested firms on the lines of the proposals referred to above, the Board would see no objection to the substitution of this plan for a money claim against the Persian Government, should it appear to the Foreign Office that advantage would arise by the substitution of the claim for free oxide for a claim for money compensation.

I am, however, to point out in this connection that the claim presumes that the damages for loss of agency by Messrs. Ellinger may be justly assessed at the amount of the commissions which they might otherwise have secured in respect of oxide sold during a period of about five years, or practically the whole term of the contract between the Persian Government and Messrs. Strick.

Pending any arrangement between Messrs. Ellinger and Weir and Messrs. Strick, the Board concur in the terms of the proposed instruction to Sir George Barclay, directing him to defer presentation of the claim for the present.

I am, &c.

GEO. J. STANLEY.

Enclosure in No. 84.

Claim by Messrs. Andrew Weir and Co.

	£	s.	d.
Loss of profit on 6,583 tons of oxide in stock on the 1st October, 1910, and on 5,218 tons as yet undelivered, at 10 <i>s.</i> 2 <i>d.</i> per ton	5,998	16	10
(To which should be added charges incurred for storage, interest, &c., since the 1st October, 1910, while any profit realised on sales which have been made would fall to be deducted from the amount stated.)			

Claim by Messrs. Ellinger and Co.

Loss of commission on 5,218 tons of oxide	554	8	0
Damages for loss of agency after the 31st March, 1912, estimated at	3,487	10	0
Aggregate of claims apart from adjustments as above	10,040	14	10

Against which there would be available as offset the value of the 5,218 tons of oxide f.o.b. Hormuz at (say) 40*s.* to 45*s.* per ton.

[27788]

No. 85.

Sir G. Barclay to Sir Edward Grey.—(Received July 15.)

(No. 253.)

(Telegraphic.) P.

Gulahek, July 15, 1911.

ADMINISTRATOR-GENERAL of Customs and Treasurer-General.

Reference to your telegram No. 203 of the 13th July.

Communication in question contains only a schedule of the obligatory charges alluded to in the consolidation agreement between the Banque nationale d'Escompte and the Persian Government, paragraph (b), article 4.

I have been repeatedly informed by Belgian chargé d'affaires that he was not treating the matter "au tragique," and I understand that he is only reporting by post to Brussels. He tells me that he has stated to the Persian Government that Belgian Government would not consent to its officials being subordinated to other foreigners, and that he has received an assurance that it was never proposed to place M. Mornard under the orders of the Treasurer-General. Latter, however, is a man prone to follow his own will, and in the question under notice he is expressly supported by the law of the 13th June. It remains to be seen how far in practice Mr. Shuster will find it possible to reconcile the exercise of his authority with the pretensions of the Belgian officials, and it must depend to a great extent on the forms he employs. I see nothing to indicate that the Belgian chargé d'affaires is inclined unduly to press Administrator-General's case. A second long interview on the 13th July between the two parties had, he tells me, a decidedly hopeful issue. Administrator-General of Customs has already agreed to the transfer to Mr. Shuster of the custom accounts, which have up till now stood to his account.

I have informed my Russian colleague that I am prepared to assist him in endeavouring to promote an understanding, but, in view of the determination shown by Treasurer-General to be independent of foreign influence, we shall be obliged to act very cautiously. M. Poklewski desires to defer taking any action for the present and to await developments.

Up till now I have not succeeded in obtaining a copy of the terms of appointment of the Belgian officials, but it is therein expressly stated, Belgian chargé d'affaires tells me, that the men are to be under the orders of the Grand Vizier and the Minister of Finance. This stipulation is ignored by the law of the 13th June. Persian Government, it would therefore seem, would have acted more correctly if they had come to an arrangement with the officials in question and the Belgian Government before passing this law.

[27634]

No. 86.

Sir Edward Grey to Sir F. Cartwright.

(No. 73.)

(Telegraphic.) P.

Foreign Office, July 15, 1911.

EX-SHAH'S movements.

See St. Petersburg telegram No. 155 of 14th July.

Please concert with your Russian colleague with a view to warning Mahomet Ali not to support or countenance intrigues on the part of his followers directed against present régime in Persia, and not to indulge in any such intrigues himself.

[26990]

No. 87.

Sir Edward Grey to Sir G. Barclay.

(No. 208.)

(Telegraphic.) P.

Foreign Office, July 15, 1911.

REQUEST has been received from Euphrates and Tigris Steam Navigation Company that amount of subsidy may be paid to them to make up for past losses incurred. Do you consider this reasonable? They make the request, while admitting that carriage of material for Anglo-Persian Oil Company has brought about a surplus in Karun service in 1910.

(See my despatch No. 57 of 17th May.)

[27789]

No. 88.

Sir G. Barclay to Sir Edward Grey.—(Received July 16.)

(No. 254.)

(Telegraphic.) P.

Gulahek, July 16, 1911.

TREASURY gendarmerie.

Treasurer-General intends, I learn on enquiry, to appoint three Americans who have had experience in the constabulary to aid in organising this force.

He has applied to General Edwards at Washington for one of them, and has telegraphed his terms direct to the other two.

[27790]

No. 89.

Sir G. Barclay to Sir Edward Grey.—(Received July 16.)

(No. 255.)

(Telegraphic.) R.

Tehran, July 16, 1911.

SHIRAZ.

Movement against Governor-General appears to be growing, and acting consul reports that he has now little doubt that Kawam's wife is encouraging it in disregarding strong letters sent to her by Kawam.

Soulet is reported to have given, on invitation of governor, orders to his tribe to send every available man to Shiraz.

[27861]

No. 90.

Sir G. Barclay to Sir Edward Grey.—(Received July 17.)

(No. 104. Very Confidential.)

Sir,

Tehran, June 26, 1911.

WITH reference to my telegrams Nos. 217, 218, and 219, I have the honour to transmit a memorandum by Mr. Churchill of an audience granted him by the Regent, at which His Highness described the circumstances of the Prime Minister's abrupt departure from Tehran.

It will be seen that His Highness attributes Sipahdar's departure to dissensions in the Cabinet and the intrigues or "schemes" of other Ministers and of his so-called supporters in the Medjliss. To these determining causes should be added, I think, his annoyance at the financial control now vested in the Treasurer-General, Mr. Morgan Shuster.

My despatch No. 80 of the 19th May reported that practically the whole of the money available out of the loan to be issued by the Imperial Bank of Persia was earmarked for military expenditure, and Sipahdar at once began applying for instalments through Mr. Shuster, who gave him, to begin with, a cheque for 70,000 tomans on the Imperial Bank of Persia, with which arrangements had been made to honour the draft. I am assured that Sipahdar deposited the money with a native firm of bankers and immediately applied for more to Mr. Shuster. It was Mr. Shuster's request for explanations and accounts which is said to have precipitated Sipahdar's movements.

Sipahdar has not yet tendered his resignation and is still at Resht, and the Regent informs me that the Medjliss decided yesterday to telegraph to him urging him to return to Tehran.

I have, &c.

G. BARCLAY.

Enclosure in No. 90.

Memorandum by Mr. Churchill respecting the Regent's Views on the Situation.

(The marginal corrections, 1 to 6, are those of His Highness the Regent.)

(Strictly Confidential.)

I HAD the honour of being received in audience by His Highness the Regent yesterday at 7 P.M., and His Highness was good enough to give me an account, for communication to Sir George Barclay and the Russian Minister, of recent political events which had culminated in the sudden departure, the previous day, of the Prime Minister.

Dealing first with the proceedings in the Medjliss on the 15th instant, in respect to the budget of the court (a subject which I had taken the liberty of raising), His Highness impressed upon me that this question was, in view of other and more important developments, one of minor significance. After giving me an account of the genesis of this question, and after pointing out the irregularity of the action of the Medjliss in the matter, and stating that, though relatively unimportant, it would in all probability have to come up again for consideration, His Highness passed on to review, with great lucidity and frankness, the political situation and recent developments.

His Highness said that for some time past—in fact, for several months—there had been dissensions in the Cabinet. Mostashar-ed-Dowleh and Montaz-ed-Dowleh were hostile to the Premier, Sipahdar, and had intrigued^{*} with the object of bringing about his downfall. They had told Mohtashem-es-Sultaneh that he was their nominee for the Premiership, and had thereby induced him to join in their plot, but of the three, certainly Mostashar-ed-Dowleh and Montaz-ed-Dowleh were the prime movers, and the most active. The latter, when Minister of Finance, had persistently evaded the presentation to the Medjliss of the project of expenditure of the money available from the recent loan, knowing that, so long as the sanction of the Medjliss had not been obtained, the Sipahdar's task of restoring order, which could only be effected if the requisite funds were made available for the purpose, could not be carried out. His Highness had endeavoured, by lecturing the recalcitrant Ministers, to bring them to

* 1. "Scheming would be a better word."

realise the folly of the course they were pursuing, but his endeavours in this respect had been of only momentary effect, and they had resumed their intrigues* with redoubled energy. Dealing next with the Sipahdar's so-called supporters in the Medjliss, His Highness recalled the fact that, before the formation of the Sipahdar's Cabinet, a number of small groups in the Chamber had been, with great difficulty, brought together to form a majority. It was this majority which had chosen Sipahdar as their nominee for the Premiership, and had undertaken to support the Cabinet which he should form. On the other hand, there was the democratic party which formed the opposition in the Chamber, and whose intrigues against the Cabinet His Highness characterised as "fiendish." The majority, moreover, far from being all loyal to the Premier of their own choice, included persons who were in reality opposed to him, and intrigued secretly with the democrats. His Highness had taken an opportunity to lecture them, but his endeavours in this respect had also proved unavailing. The democratic minority, joined by their accomplices in the camp of the majority determined at all costs to get rid of the Sipahdar, had prepared a scheme by which they would attain their object. One of the members was chosen to interpellate Sipahdar—not the Minister of the Interior—respecting events in the province of Mazanderan connected with the revolt of Rashid-es-Sultan last autumn† when Sipahdar was not in office, and whom Sipahdar was popularly supposed to have encouraged. The plan was to attack Sipahdar on this count and practically to impeach him. Finally, the matter would have been resolved by moving for a vote of confidence, and it had been arranged, by the secession of the requisite number of supposed Ministerial supporters, that negative votes would be in the majority, and that Sipahdar would thereby be forced to relinquish office with ignominy. On the previous Friday (9th June) matters had in fact become so critical that Sipahdar called on His Highness to discuss the situation, and had declared that he was tired of the struggle and preferred to retire to Europe. His Highness had dissuaded him from taking this step, and had given him advice as to the best course to pursue, which, in his opinion, was that Sipahdar should go to the Medjliss, reply to the interpellation regarding Mazanderan, and place his views regarding the situation frankly before the Chamber.‡ His Highness at the same time again sought to use his influence with the Medjliss in order to avert the catastrophe which he felt would be entailed by the withdrawal of Sipahdar. His Highness pointed out that Sipahdar's prestige was a valuable asset in the task of carrying on the Government of the country, which "men of straw" were incapable of undertaking. The Democrats had been given a chance and had utterly failed. Sipahdar had rendered great services to the Nationalist cause, and if the Medjliss thought that his services were no longer required they could at any rate tell him so politely, thank him for his past services to the country, and in fact act in the matter with straightforwardness and honesty. His advice, however, though it may have produced a temporary *détente*, had no lasting effect.

On the evening of Thursday (15th June), His Highness received a letter from Sipahdar (who had left Tehran two hours before), saying that he was leaving for Europe with his son for the sake of his health, and recommending his family to His Highness. There was no mention of his resignation in the letter. A similar letter had been addressed to the Medjliss, while the Minister of Foreign Affairs was asked in another letter to instruct the Foreign Office representative at Resht to supply him with a passport.

That evening His Highness said that he summoned the Cabinet Ministers, the president of the Medjliss, the heads of the various parties, and the representatives in the Medjliss of the clergy to his house to discuss the situation created by Sipahdar's sudden departure. All these gentlemen, however, seemed unable or unwilling to express any opinion, and maintained a dogged silence. His Highness eventually turned to the president of the Medjliss and asked him to state his views. The president produced from his pocket a printed booklet, and, turning its pages, said, "I have here the internal regulations of the Medjliss, and I can find nothing in them which authorises me at this juncture to express an opinion." His Highness, commenting on this ridiculous attitude of the president, said it reminded him of "opéra bouffe," and that if the Medjliss had always observed the letter of their regulations, and had not interfered in every detail of administration, matters would not have reached their present state. To the president he said, "You are the representative of the Medjliss,

* 2. "The same as No. 1," i.e., "scheming."

† See Sir G. Barclay's despatch No. 186 of the 6th October, 1910.

‡ 3. "And the public."

and the Medjliss is the representative of the nation. Nothing could be more important or of more interest to the nation than the present situation, and I therefore again urge you to express an opinion." The president, however, insisted that the regulations before him obliged him to maintain silence on the subject. Whereas most of those who had assembled in his house seemed to realise the gravity of the situation, Mostasher-ed-Dowleh and Momtaz-ed-Dowleh were in the highest spirits, appearing very pleased at the mischief they had wrought. His Highness said he was much incensed at their behaviour and rebuked them, saying that they seemed to be amused at the misfortunes of their country. At this juncture the representative of the clergy made a suggestion, which was that the Regent should recall the Sipahdar. When this suggestion was made everyone present murmured assent, but His Highness said that such a course was quite out of the question. He could not assent to it for this reason: If he took such a step Sipahdar could only do one of two things—he could either refuse to return or obey the summons. The first alternative would place Sipahdar in a very difficult position, and he (the Regent) was unwilling to place him in such a difficulty. On the other hand, were the Sipahdar to return and to say, "You know why I have left—you know of the difficulties placed in my way—can you remove those difficulties?" His Highness would have had to reply that he was not in a position to remove the difficulties, because those difficulties were placed in Sipahdar's way by the gentlemen there assembled. The only way to remove those difficulties was to remove those gentlemen, and that he was not going to do. Eventually, the meeting broke up without any decision having been arrived at, and the following day, when the same gentlemen assembled at his house again, His Highness told them that the majority of the Medjliss must decide upon their nominee* as a successor to Sipahdar, and let him know the result.

Having been good enough to give me the above account of events, His Highness said, "Now as to my own conclusions. As far as I can see we have come to a deadlock, and the work of carrying on the Government has become well-nigh impossible."

Referring to the provinces, His Highness said that their condition was deplorable. To give an instance, His Highness cited the case of Hamadan, where a notorious Caucasian free-lance called Mir Bagher—a companion of Rasoul Zadeh—had appeared with a band of ruffians† like himself, and was seizing land from the local landowners by force. As to the Government at Tehran, complete disorganisation had naturally followed Sipahdar's departure. Whereas even before this crisis had supervened things had been in a very bad way, now the Under-Secretaries of the Interior and of War came to him for instructions, which, of course, he was not constitutionally in a position to give them.

As to his own intentions, His Highness was kind enough to tell me what had passed regarding his intention to take a few months' leave in Europe. His Highness did not require to ask anyone's permission, but in order to avoid any misunderstanding, or any attempt to send deputations to prevent his departure, he had explained that he required short leave for the sake of his health, and in order to see his son, who was ill. He in fact proposed to take a few‡ months' leave every year. In view, however, of the present situation, he could not leave for the present. He would have to see a new Cabinet formed, and could at any rate not leave until it had been in the saddle, say, a fortnight.

His Highness asked me to give an account of what he had said to the Russian Minister, and to thank Sir George Barclay for the sympathetic interest he took in these events.

I undertook to convey His Highness's messages, and to submit him a copy of the memorandum I would draw up, and in which I would venture to record His Highness's conversation, adding that whatever he had been kind enough to say would be treated as strictly confidential.

G. P. CHURCHILL.

Tehran, June 17, 1911.

* 4. "To decide upon the course to be taken, not upon the succession."

† 5. "Had induced a band of local ruffians to terrorise landowners; action has been taken in one or two cases requiring the owner to relinquish his land."

‡ 6. "Two or three months."

[27863]

No. 91.

Sir G. Barclay to Sir Edward Grey.—(Received July 17.)

(No. 106.)

Sir,

Tehran, June 27, 1911.

WITH reference to my despatch No. 86 of the 7th June, I have the honour to forward a second despatch from His Majesty's acting consul at Shiraz reporting on subsequent developments in the situation there.

Throughout the events recorded in the despatch I am now forwarding, and in that forwarded in my despatch No. 86, Mr. Knox's action has earned my approval. He has, consider, acted with much tact and good judgment.

I have, &c.

G. BARCLAY.

Enclosure in No. 91.

Acting Consul Knox to Sir G. Barclay.

(No. 20.)

Sir,

Shiraz, May 18, 1911.

IN continuation of my despatch No. 19 of the 1st May, I have the honour to report on subsequent developments of the situation in Fars.

During the first days of May the differences between the central Government and Nizam-es-Sultaneh had become more marked, the latter entirely disregarding all instructions sent to him in the matter of the Kawamis. At length the Governor-General, seeing that he was unable by argument to bend the Cabinet to his point of view, organised a series of demonstrations in protest against the delay in executing the prisoners, which he had little difficulty in persuading Sowlet-ed-Dowleh to subsidise. On the 6th May, in accordance with instructions contained in your telegram No. 49 of the 5th May, I again approached the Governor-General on this subject. Nizam-es-Sultaneh, on learning the object of my visit, informed me that he had now resigned himself to accepting the dictates of the Persian Government and that his delay in executing them had been due to the fact that for the past three days he had been occupied in devising some means by which he could send away the Kawamis with the least possible danger to themselves. He had proposed, he said, to remove them in the course of the previous night, but refrained from doing so on discovering that news of his intention had leaked out. He added that he would undoubtedly find an opportunity to do so safely within the next two days. He explained to me in detail how he had arranged that the prisoners were to be conducted by an escort of Government troops as far as Dastarjin, where fresh horses and men were in waiting to convey them to Kazerun; here he had ordered 100 men to be in readiness to escort them as far as the Tang-i-Turkan, the northern entrance to the Kamarej plain, where his own dependant, Nur Mohamad Khan, was stationed with 150 riflemen. From that point onwards no possibility of danger was to be anticipated. On my enquiring as to whether he had any guarantee that Sowlet-ed-Dowleh would respect the Kawamis, he replied that he had not, but that he believed that the Kashgai would not venture to molest them. At this interview Nizam-es-Sultaneh again took an opportunity to descant at some length on Bakhtiari dissensions and weaknesses and the short-sightedness of the Cabinet in thus tying his hands.

No further information on the subject of the Kawamis reached me until the following afternoon, when I learned that Nasr-ed-Dowleh had been assassinated on the road. The circumstances of the murder, so far as can be definitely ascertained, were as follows:—

Kawam-ul-Mulk and Nasr-ed-Dowleh left the palace before midnight on the 6th May, escorted by about 150 horsemen, for the most part Cossacks and Shahsevan regulars; 6 Kashgais who had guarded them during their imprisonment also accompanied them. Some 6 miles out from Shiraz a large part of the escort turned back, only about fifty, including the six Kashgais, continuing with them. From this point the road lies through sharply undulating country, and Kawam-ul-Mulk, whose suspicions were by now thoroughly aroused, changed the mule on which he was mounted for a good horse ridden by one of his servants, and, leaving the track, where he might at any moment be ambushed, followed with four of his own men and four Cossacks the ridge line of the hillocks. Nasr-ed-Dowleh, who was either less apprehensive or more resigned, kept to the track still mounted on a mule. From time to time large groups of Kashgais

were sighted moving parallel to their line of march, and when crossing the river bed 2 miles short of Khan-i-Zinian, Kawam-ul-Mulk saw the six tribesmen who had accompanied them join on the bank a small body of Kashkulis, of the tribe of Mohamad Kerim Khan, Kashgai, deputy in the Medjliss, whose son was present. Kawami, who was about half a mile ahead of his brother, had crossed a small intervening ridge when he heard one rifle shot followed at once by two or three others. He rode back to the crest, and, seeing that Nasr-ed-Dowleh was dead, and the road back barred, galloped on with his eight men to the caravanserai, where he at first intended to defend himself. Finally, however, realising that this was hopeless, he turned off northwards with the aim of reaching one of his own villages where he could collect enough men to convoy him to the Arab tribes. He soon learned, however, that all the roads were closed, so, having passed the night among some of his peasants, and the next day making a detour of about 80 miles, he came accompanied by ten or twelve sowars into Shiraz by the gate nearest to his house, which he reached safely. From there he sent a message to the Governor-General to the effect that if he failed in obtaining "bast" at His Majesty's consulate, he and his few followers would be ready to defend themselves by force. He then set out disguised in a European coat and helmet in company of Dr. Woollatt, who had been in attendance at the moment of his arrival on Nasr-ed-Dowleh's daughter, and arrived here before evening.

Such is Kawam-ul-Mulk's own account, which tallies generally with all other versions that I have been able to obtain, apart from the fact that some of these name a certain Hassan Beg, brother-in-law of Sowlet-ed-Dowleh, as being the principal figure amongst the assassins in the place of the son of Haji Mohamad Kerim Khan. I am personally inclined to believe that the attack which actually took place was premature and merely the unrehearsed action of a group of over-zealous tribesmen, since it would appear improbable in the extreme that it could be to the advantage of either Sowlet-ed-Dowleh or Nizam-es-Sultaneh that Kawam-ul-Mulk should escape. Local gossip would indeed have it that Kawam's salvation was due to his marriage connection with Sowlet, but I think it hardly likely that such a consideration would counterbalance in the Kashgai chieftain's mind the very real dangers of leaving one of the brothers at large. Moreover, within a few hours of the murder I received quite reliable news, telephoned by two "gholams" of the Indo-European Telegraph Department, to the effect that more than 600 Kashgais were in ambush on both sides of the road 4 miles beyond Khan-i-Zinian, at the same spot where the Russian consul-general was attacked in 1909. I have very little doubt that it was here that Nizam-es-Sultaneh and Sowlet-ed-Dowleh had planned that the attack should take place, particularly since this part of the road has long been notorious for Boir Ahmedi raids, and some degree of suspicion might thus have been made to fall on the Lur tribe.

Meanwhile, the first news had reached Shiraz early in the afternoon. As soon as I was able to verify it I called on the Governor-General, having previously asked the superintendent of the Telegraph Department to hold up any message regarding the assassination until I had reported what the Governor-General might have to say on the matter. My visit was not fruitful. Nizam-es-Sultaneh, who was very agitated, saying at first that the attack was possibly the work of Arab tribes attempting to release the Kawamis. I told him, in reply, that it was quite impossible to conceive the presence of Arab tribes in the middle of a valley at that moment occupied by some 15,000 to 20,000 Kashgais, and that I could not think of telegraphing such a story to you. He then said that he had, personally, little doubt that the murder had been arranged by Sowlet-ed-Dowleh, but beyond this made no attempt to exculpate himself. Some hours later he sent me a message saying that on the next day he would show me definite proofs that he had no complicity in the affair; all, however, that he produced was the somewhat cynical argument that if he had arranged the assassination he would not have allowed Kawam to escape.

Since the first news reaching me had stated that Kawam-ul-Mulk was supposed to be wounded, I offered the services of the medical officer to Nizam-es-Sultaneh, who was sending out all the horsemen whom he could collect to the scene of the murder, ostensibly to investigate the facts, but, I believe, in reality to prevent Kawam-ul-Mulk from joining his tribes. Dr. Woollatt left late in the afternoon accompanied by two sowars of the consulate escort. At nightfall, however, he met with some of Nasr-ed-Dowleh's household, among them Ata-es-Sultaneh, who was returning severely wounded to town. He learned from these that Nasr-ed-Dowleh was dead, that the fate of Kawam-ul-Mulk was as yet unknown, and that the roads were infested by tribesmen.

[1505]

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Seeing that thus, for the moment at least, there was nothing to be done, Dr. Woollatt very wisely returned to Shiraz. From the account of these survivors it appears that the party of Kashkulis, mentioned in Kawam-ul-Mulk's account, waited on the river bank until Nasr-ed-Dowleh was within 20 yards, when they opened fire. He received two bullets through the head and one through the body, and died instantly. None of the guards fired a shot nor made any effort to interfere with the small attacking party, who severely beat Nasr-ed-Dowleh's two stewards, Ati-i-Nizam and Ata-es-Sultaneh, and looted the entire baggage. The former of these, as soon as the aggressors had left, made for Nasr-ed-Dowleh's garden, where he sought refuge with the Belgian gardener. After nightfall he was persuaded to leave, and reached comparative safety in Shiraz.

The next morning I called on the Governor-General, and found him more confident than on the previous afternoon. He told me that he had heard that Sardar Assad was expressing righteous indignation at the murder, which he openly attributed to Nizam-es-Sultaneh himself, and that he would probably receive from the Persian Government as a peace offering the portfolio of the Interior. He went on to say that in such an event he would himself resign immediately, and that, with the intimate acquaintance with the plans of the "League of the South" which he had gained on his journey through Pusht-i-Kuh and Mohammerah, he had no doubt whatever but that Sowlet-ed-Dowleh would give rein to his tribesmen in Fars and make a concerted movement on Tehran with the Vali of Pusht-i-Kuh. He impressed upon me with some insistence that Sardar Assad's appointment would incidentally provoke disorders in Fars which only foreign intervention could quell.

In the course of the same morning Nasr-ed-Dowleh's body was brought in. Contrary to general expectation it had escaped mutilation, and had even been cared for by the women of the Darashuli tribe. After Dr. Woollatt had examined the wounds, the body was buried with all ceremony in the family vault.

Among those Europeans who have known him Nasr-ed-Dowleh's death will not pass unregretted. In all his dealings with them, at least, he invariably displayed a courage and frank open-handedness which, though reckoned as stupidity by his compatriots, seemed rather to indicate in him some almost Western appreciation of the exigencies of his family's declining dignity. Thus, for instance, when any robbery could be brought home to his dependants or to the tribes under his control, he showed, in spite of his latterly very straitened means, no hesitation nor chicanery in the payment of the claim. There is, I am afraid, little doubt that, urged thereto by the yearly increasing depredations of Sowlet-ed-Dowleh, he had been the leading spirit in most of those intrigues which have long fostered a general anarchy in Fars. Yet this, in his case, in violent contrast to the sordid avarice of his rival, would seem to have been motivated by nothing more than a natural impetuosity of character and a youthful revolt against the circumscription of his wide personal ambitions. Though he leaves as yet no male heir, his wife is shortly expected to give birth to a child.

Meanwhile, regarding Kawam-ul-Mulk's fate, nothing definite had yet transpired. Shortly after midday, however, on the 7th May I was approached by his wife, who asked whether, in the event of his escape being cut off and his thus being obliged to return to Shiraz, I would give him asylum in the consulate. I replied that, as it would appear that his life was in imminent danger, he would be admitted. Some hours later he arrived in Shiraz and reached the consulate. In spite of his fatigue and emotion, coupled with a severe fever, he was able at once to vent his wrath with the Governor-General, telling me with some vividness how during their imprisonment he and his brother had received almost daily visits from Nizam-es-Sultaneh, who, by means of repeated oaths on the Koran, promising immediate release, had extorted from them various sums amounting to 30,000 tomans, as well as all their personal jewellery.

Immediately after Kawam-ul-Mulk's arrival at His Majesty's consulate I notified the Governor-General officially of his presence, stating that after the murder of Nasr-ed-Dowleh it appeared to me that Kawam-ul-Mulk's life was in imminent danger, that I had consequently given him sanctuary, and that he would remain in the consulate until satisfactory assurances for his personal safety were forthcoming. Nizam-es-Sultaneh replied that there were 200 armed men in Kawam-ul-Mulk's house who would probably create disorders in the town. I informed the Governor-General, in answer, that Kawam-ul-Mulk would instruct his wife to dismiss these men, who, according to my information, numbered about thirty, as soon as he had received full assurances for the safety of the house and its inmates. At the same time I advised Nizam-es-Sultaneh that he would be held personally responsible in the event of any danger to the lives or property of British subjects.

Early the next morning I called on Nizam-es-Sultaneh, who insisted strongly on the urgency of Kawam-ul-Mulk's departure, and preferred some veiled menaces as to the danger of his remaining here for long. On this occasion, in fact, he had even gone to the length of asking me to come to the palace by a back entrance. He exposed to me the assurances which he would propose to offer for Kawam-ul-Mulk's safety, suggesting that Sowlet-ed-Dowleh should be induced to give a bond in a considerable sum for his safe journey, and undertake responsibility for him as far as the borders of Kamarej territory, whence he himself would give the necessary guarantees up to Bushire. Kawam should further, he thought, be accompanied by two or three sowars of the consulate escort, and, on this occasion, he would send with him men from his own estates in place of Government troops. These proposals, though, as is usual with Nizam-es-Sultaneh, plausible enough, would not seem to offer any really reliable security. I told him, however, that I would at once communicate them to you. On his reverting to the urgency of a speedy solution in view of possible disorders, I again reminded him very seriously of his own responsibility in such an event.

On the same afternoon the first of a series of demonstrations in the Anjuman took place. This was organised without any attempt at secrecy by Ata-ed-Dowleh, the chief of police, Moghis-ed-Dowleh, Nasir-ul-Mulk, and Beha-es-Sultaneh, the two former being notorious puppets of the Governor-General, while the latter have for many years been recognised as representing Sowlet-ed-Dowleh in Shiraz. To give this agitation some life, 5,000 tomans were promised to the members of the Anjuman; any of the mullahs or merchants who could be induced to attend were, according to circumstances, either blackmailed or well paid; the rank and file received 2 krans a-day. At this meeting very violent speeches were made denouncing the reputed British designs on Southern Persia, and urging the mob to attack the consulate and kill Kawam-ul-Mulk. After this demonstration Nizam-es-Sultaneh communicated privately to me a resolution passed by this rabble denouncing the asylum granted to Kawam-ul-Mulk as an unjustifiable interference in the internal affairs of Persia. I returned this document to Nizam-es-Sultaneh, replying that I was astounded to have received such a communication from the Governor-General of the province, and requesting him that, if he wished again to transmit anything of this nature to me, he would do so officially.

Meanwhile, a letter addressed to Kawam-ul-Mulk, in which he was assured that all his partisans were still faithful to him and would be ready to take up arms in his favour, had been sent open through me. I informed Kawam that I had received this, and warned him very gravely against embarking on any intrigue during his stay in His Majesty's consulate; at the same time I told him that all his correspondence must, in future, pass through my hands, and advised him to give word to his relations and friends that I was taking this precaution. I made, however, a reservation in favour of telegrams exchanged with the Regent, Premier, or Cabinet, only asking him, in order to avoid unnecessary friction, to dispatch these by the department office. Among Kawam-ul-Mulk's correspondence on the following day was a letter asking him to send off a telegram enclosed, which was sealed by Mirza Ibrahim, Chief Mujtehed of Shiraz, and addressed to the Cabinet, stating that the Governor-General was inciting the mob to attack the consulate. Since, apart from other considerations, this letter was unsigned, I did not see fit to deliver it to Kawam.

About the same time, in accordance with instructions contained in your telegram No. 60, I notified Nizam-es-Sultaneh that in the event of any disorders necessitating intervention in the interests of the lives and property of foreign subjects, his responsibility to His Majesty's Government would be personal and direct. Subsequently, on learning that "tofangchis" of Ali Akbar Deh Bozourgi, a bitter enemy of the Kawamis, had been placed on guard round the consulate, and having previously heard from several independent sources that Meghis-ed-Dowleh had offered a bribe of 2,000 tomans to any of these men who would enter the consulate and shoot Kawam-ul-Mulk, I informed the Governor-General privately that such news had reached me. At the same time I warned him officially that I could allow no one, under any circumstances, to enter the consulate grounds without my direct authorisation, and that, in the event of any infringement of this, I should hold the Governor-General responsible for any untoward incident which might result. Nizam-es-Sultaneh has since stationed a number of his own men in the neighbourhood; those of Ali Akbar, however, still remain.

Such is the present unsatisfactory situation in Shiraz. There is, I fear, no doubt that the agitation against the presence of Kawam-ul-Mulk in the consulate is directly instigated by the Governor-General. It is nevertheless difficult to understand how such a course can in any way advance his interests. The only motive that I can suppose for his action is that, in the fear of assassination—a contingency, in my

opinion, none too remote—he is attempting to provoke British intervention as the surest means of saving his own life; and, indeed, the tone of his conversation recently has gone far towards strengthening this view. He has found many opportunities since the escape of Kawam-ul-Mulk to impress upon me that the townspeople may easily become out of control; that disorders, if they were to occur, would be of such a nature that the Persian Government would be unable to quell them unaided, and other similar allusions. The threats of an attack on the consulate are, I think, almost negligible, being merely part of those accepted conventionalities by means of which “this gifted race” can decorate their hired indignation with an aureole of patriotic temerity. Nevertheless, I am afraid it is impossible completely to dismiss the menace of some isolated attack on a European, by which one party or the other might seek to provoke intervention. In any case it would appear that for the moment the appointment of Sardar Assad or the dismissal of either Sowlet-ed-Dowleh or Nizam-es-Sultaneh would in all probability lead to a most serious situation in Fars. Nizam-es-Sultaneh, if disavowed by the Central Government, would be forced to contemplate the near possibility of assassination either in Shiraz itself or on the road where he has left many redoubtable enemies, and I think there can be no doubt that he would go to any extreme to eliminate the chance of this eventuality. Moreover, if the Persian Government were to employ immediately any of these three methods of showing their indignation, Sowlet-ed-Dowleh would, at the very least, resign his position of “Protector of the Southern Roads” and give his tribes the word to rob. Once, however, that Sowlet-ed-Dowleh has left the neighbourhood of Shiraz, and, with his active brother, Zeigham-ed-Dowleh, undoubtedly making the most of this opportunity, his stay here cannot be eternal; things will certainly take a more favourable complexion, since without the Kashgai at his elbow Nizam-es-Sultaneh’s power for harm will be, after his signal failure in this matter, reduced to nothing.

In the matter of the Kawam’s departure it is very difficult to see as yet any issue, since, owing to the tactics which the Nizam-es-Sultaneh has seen fit to employ, it would appear to me to be impossible that any guarantee could be accepted from him without encouraging him in the dangerous idea that these have forced our hand. Should, however, things remain in their present position until Sowlet-ed-Dowleh has moved northwards, I do not think there would be any difficulty in the way of keeping Kawam here until the whole situation in the south has reshaped itself, as, in my opinion, it must shortly do after such an upheaval as has been caused by Nasr-ed-Dowleh’s murder. I have no definite knowledge as yet regarding Sowlet’s attitude, but I think there can be no doubt that his share in the present intrigues is at least as large, though probably not so spontaneous, as that of the Governor-General.

I have, &c.

G. G. KNOX.

[29933]

No. 92.

Sir G. Barclay to Sir Edward Grey.—(Received July 31.)

(No. 107.)

Sir,

Gulahek, June 28, 1911.

I HAVE the honour to report that at the sitting of the Medjliss on the 24th instant the Minister of Finance proposed that four more Americans should be engaged to work under Mr. Morgan Shuster in the Financial Department on a three years’ contract as in the case of those already engaged.

The Medjliss agreed to the proposal without debate, and practically unanimously. The salaries of the four new men are to be as follows:—

- An auditor to replace Mr. Hills, 4,000 dollars.
- An assistant to Mr. Shuster, 3,500 dollars.
- A clerk to Mr. Shuster, 1,800 dollars.
- A clerk to Mr. Shuster, 1,600 dollars.

There are at present four American financial experts at Tehran, namely:—

- Mr. W. Morgan Shuster, the Treasurer-General, at 2,000l. a-year.
- Mr. F. C. Cairns, the Director of Taxation, at 1,200l. a-year.
- Mr. C. L. McCaskey, the Inspector of Provincial Revenue, at 1,000l. a-year.
- Mr. B. G. Dickey, Inspector of Taxation, at 1,000l. a-year.

Mr. Hills, the accountant, arrived with his family, but owing to the illness of one of his children he decided at once to return to America, and has apparently thrown up his appointment altogether. A successor to him is therefore included among the four whose engagement has now been decided upon.

I have, &c.

G. BARCLAY.

[29934]

No. 93.

Sir G. Barclay to Sir Edward Grey.—(Received July 31.)

(No. 108.)

Sir,

Tehran, July 1, 1911.

WITH reference to your despatch No. 64 of the 14th June respecting the Central Persia telegraph line, I have the honour to inform you that the Persian Government have not yet intimated their acceptance of the capital accounts furnished to them of the construction of the line.

Consequently, the eighth instalment of the rental will be paid at the minimum half-yearly rate of 12,500 fr., and I have the honour to transmit copy of a note which I am addressing to the Persian Government to that effect.

I have, &c.

G. BARCLAY.

Enclosure in No. 93.

Sir G. Barclay to the Persian Government.

M. le Ministre,

Tehran, July 1, 1911.

WITH reference to the memorandum from this legation of the 11th January, I have the honour to inform your Excellency that I hold at the disposition of the Persian Government the sum of 12,500 fr., being the eighth instalment due this day for the minimum rental of the Central Persia telegraph line. A draft to this amount will be forwarded as usual against the Persian Government’s receipt.

As your Excellency has been made aware by my note of the 18th March, the exact sum, based on the accounts forwarded in that note, due to the Persian Government as the half-yearly rental is 15,635 fr., and that the accumulated difference between that sum and the 12,500 fr. hitherto paid will be handed to the Persian Government as soon as the latter has intimated its acceptance of the capital accounts which I have had the honour to furnish it.

The accumulated difference in question will, with the balance of the instalment due to-day, amount to 25,080 fr.

I avail, &c.

G. BARCLAY.

[29936]

No. 94.

Sir G. Barclay to Sir Edward Grey.—(Received July 31.)

(No. 110.)

Sir,

Gulahek, July 1, 1911.

WITH reference to my telegram No. 214 of the 15th June respecting the Turco-Persian frontier, I have the honour to transmit herein copy of the itinerary of the British and Russian delegates from the day of their departure from Tabreez (8th June) to their arrival at Khoi.

I have, &c.

G. BARCLAY.

P.S. July 12.—A further account of the delegates’ journey from Khoi to Urmia which has just reached me is also enclosed.

G. B.

Enclosure 1 in No. 94.

Itinerary of British and Russian Delegates from Tabreez to Khoi.

First day, June 8, 1911.—Left Tabreez and arrived at Dize Khalil.

Second day.—Arrived at Alma Serai, passing through villages of Sheker-yazi and Mafi-Kendi, halting at Kenyani, where we found the Ottoman flag flying and a detachment of twenty Turkish soldiers under a sergeant. We proceeded next to Silau, where we were received by Behdjet Bey, Turkish frontier commissioner, just arrived from Van, Zia Bey, civil kaimakam of Chahrik, and a detachment of Turkish troops under Captain Abdurrahman Bey drawn up in our honour. After a short stay at Silau we proceeded to Khoi, an escort of six Turkish cavalry, under Lieutenant Niazi Effendi, accompanying us as far as the summit of the Kanli-Dere pass leading from Dilman to the Khoi plain. We arrived at Khoi about midnight.

The fourth day was passed by us at Khoi, where the Turkish consul informed us that, while we could proceed to Kotur and from Kotur to Dilman with our escort, we should have to leave it at the latter place on proceeding further to Urmia, as it could not be allowed to pass through Somai, Baradost, or any villages on the road from Dilman to Urmia, where Turkish troops were stationed. But as it was admitted by the Turkish consul that the effect of this prohibition would be to render it impossible for our escorts to reach Urmia from Dilman by any road without being stopped by the Turkish troops, he promised to procure from the Turkish frontier authorities special facilities to allow them to pass. A sufficient guard would be provided for ourselves on passing through Somai and Baradost.

Fifth day.—We leave Khoi for Kotur in the afternoon. The Russian Captain Kisli arrived here this morning with instructions from the Russian Government to take charge of the Russian escort.

The British escort will accompany the Russian escort under Captain Kisli at any point of separation.

H. S. SHIPLEY.
V. MINORSKI.

Khoi, June 12, 1911.

Enclosure 2 in No. 94.

Diary of the British and Russian Delegates from Khoi to Urmia, June 12 to 22, 1911.

June 12.—We left Khoi for Kotur at 3 p.m.; at 5:30 p.m., shortly after passing the villages of Reykhane, we entered the Kotur pass, up which we proceeded until 8:30 p.m., where we camped for the night close to a small party of Shekkak Kurds on a spot formerly occupied by the village of Kaylalik, now in ruins. Path extremely difficult.

June 13.—Left Kaylalik at 8:15 a.m., and still proceeding up the pass arrived at Kotur at 5:15 p.m., the only villages being passed by us being Mahin (3 p.m.) and Habeshi Ashagha (3:45 p.m.), the inhabitants of which (Kuresinlians, Shekkak Kurds) we found friendly and hospitable.

At Kotur everything in his power was done for our comfort by Ismail Agha (*alias* Simitko, Simko), the chief of the Avdoi branch of the Shekkak Kurds, who, we found, enjoys a position almost as equally independent of the Persians as of the Turks, which latter he greatly dislikes, notwithstanding the efforts made in writing by the Kaimakam of Sarai to obtain his submission. Much valuable information was communicated to us by Ismail Agha, with whom we stayed two days, which allowed us to give some rest to our caravan. Further details respecting the state of Kotur have already been furnished in M. Minorski's telegram to the Russian Legation No. 15.

June 16.—Left Kotur for Chahrik at 7:45 a.m., our intention being to make for Deirik, where we proposed to pass the night. As, however, the usual road from Kotur to the last-mentioned place would have led us through a portion of Turkish territory, we avoided this by skirting the south-west slopes of the Surava mountain and leaving Khanega (Turkish) to our right, arrived at 2:45 p.m. at the watershed dividing the Kotur highlands from the Salmas plain. From this point we followed the ravine down which the Dushvan stream (tributary of Zola Chai) flows to Deirik, where we arrived at 5:10 p.m. The village was formerly occupied by the Armenians, but, at the time of our visit, we found it in the possession of Mammedi Shekkak Kurds.

June 17.—Leaving Deirik at 8:55 a.m. we proceeded down the above-mentioned stream as far as Nazareova (9:30 a.m.), where, leaving the road to Kuhné Shehr, we turned sharply to the right (due south), and after crossing a high tableland reached at 12:30 p.m. the edge of the deep Zola Chai ravine, at the head of which Chahrik and the Turkish camp lay clearly before us. Having sent on our gholams to inform the civil kaimakam, Zia Bey, a Kurd by birth and our acquaintance of Silau (see Itinerary No. 1), of our arrival, and to ask whether he would be willing to receive us, further begging him, in case our escort should not be allowed to enter the village, to indicate us a spot where it could remain, the answer was returned that we ourselves should be welcome, a place being designated for our escort just outside the village. Having accordingly left our escort at the spot indicated we entered the village alone, being saluted by a detachment of some thirty soldiers drawn up in our honour. Zia Bey, whose reception of us was very hospitable, informed us that he had not expected us that day, thinking that we should proceed direct from Deirik to Kuhné Shehr.

In the course of the conversation with Zia Bey a map, drawn up by himself, was produced showing the extent of the kaimakamlik under his jurisdiction, the boundary of which, beginning a little to the south from the village of Esteran (Kotur district), follows the range dividing Khoi from Salmas to a point lying between the villages of Sheker Yazy (Persian) and Mafi Kendi and Kenyani (Turkish), proceeds subsequently westwards between Kerdan (Turkish) and Kuhné Shehr (Persian), and then, skirting the Salmas plain, turns eastward to a point on the lake near Gowlan. Southward from the latter place there is a wedge of Turkish territory dividing Salmas from the Urmia plain, the northern boundary of which plain is constituted by a line between Kul Tepe (on the shore of the lake) and the village of Talik on the Nazlu River, which river appears to divide the kaimakamlik of Chahrik from that of Mawana.

Chahrik is the head-quarters of a tabour of the 101st Infantry Regiment, under the command of Abdullah Bey, Kol-Aghassi, one company of which, about 100 strong, was stationed there at the time of our visit, the remainder being distributed at various points of the district. As we learnt subsequently at Mawana another tabour was shortly expected to arrive in Chahrik from Bashkaleh.

A part of our Turkish escort, which had specially come from Van, arrived from Verdan, another under the command of the second lieutenant, Mirza Bey, some hours after ourselves, whereupon, taking leave of Zia Bey at 6 p.m., we proceeded with our two escorts to Kuhné Shehr, arriving there about 8:45 p.m.

It is to be noted that Mirza Bey with the Turkish escort did not enter the town, but leaving us at the outskirts returned to Verdan.

June 18.—We left Kuhné Shehr at 3:10 p.m. making for the village of Zuni in Somai, our Turkish escort, to which a second officer, Ismail Effendi (second lieutenant), had been added, and now consisting altogether of some forty men, awaiting us outside the town. Our own escort, that is, the Cossacks and the Sowars, were left behind at Kuhné Shehr with Captain Kissly with directions to rejoin us at Urmia. By previous arrangement, however, with Zia Bey we retained with us as orderlies two Cossacks and one Sowar. On leaving Kuhné Shehr we proceeded for a part of the way on the road leading back to Chahrik, then turning southwards we crossed the watershed dividing the Chahrik ravine from Somai and arrived at Zuni at 6:50 p.m. There we passed the night with the influential Kurdish chief Temir Agha Jango, of the Fenak clan of the Shekkaks.

June 19.—Left Zuni at 9:50 a.m. and proceeded to Surmenova being still in the Somai country and paying a visit on the way to Mamakan, the residence of the Kurdish chief, Mamed Sherif (of the Delan clan of Shekkaks). At Surmenova, where we arrived at 1:45 p.m., we were received by Ismail Agha Hassi, chief of the large Kardar subdivision of the Shekkaks, to which the Fenak, Delen, &c., belong. Owing to stress of weather, which at this attitude was almost wintry, we were obliged to pass the night with Ismail Agha.

It seemed clear to us from the attitude of the three above-mentioned chiefs—the most influential in Somai—that they had by no means reconciled themselves to the idea of future Turkish domination over them, notwithstanding the efforts which we gathered had been made only a few days before our arrival by Behdjet Bey, the frontier commissioner (see Itinerary No. 1) to make them sign a "mazbata" affirming their satisfaction with the Turkish régime.

We were informed by the inhabitants that there were no Turkish troops in Somai and Baradost, the detachment formerly stationed at Gangachin, having left some considerable time previously. It should be mentioned that while at Zuni we noticed three Kurds, who were evidently strangers to the district. Enquiry elicited the fact

that they were from Gevver and had come to teach the Kurdish children, having presumably been sent by the Turkish authorities.

June 20.—Taking leave of Ismail Agha at noon we proceeded to the village of Gumbad (2.50 P.M.), which marks the limit of the Somai country; Gangachin, which we reached at 3.30 P.M., being situated in the Baradost plain. After a halt at Gangachin, a village principally Christian, but now having passed into the possession of the Sheikh of Shemdinan, whose men signalled our departure with cries of "Long live Sultan Mehmed V," we proceeded through Rabat to Mastakan, the residence of Temir Agha-Ardoi (uncle of Ismail Agha, of Kotur), who, living in the village lent to him by the above-mentioned sheikh, appears greatly dissatisfied with his present position, and, in the presence of the Turkish officers, bitterly complained of the Persian Government.

June 21. We left Mastakan at 9.50 A.M. From the latter place the road to Urmia leads down the course of the Nazlu Chia through Inchké Su, where, as we gathered, preparations had been made by the Turks for our reception. We took, however, the decision to push on to Mawana in Tergavar, which we reached at 2.15 P.M., and, as at Chahrik, found that our arrival was unexpected by the Turkish authorities.

Mawana, as we found, was a station of two tabours of the 98th Infantry Regiment (IVth Army Corps), of which about 200 soldiers were actually in the place, the remainder being stationed in the various surrounding villages. The names of the tabour commanders were: Major Khalil Bey, a Kurd, and Mizbashi Hakki Bey. Many of the soldiers come from the adjacent Turkish frontier.

The civil kaïmakam, Hafiz Ismail Effendi (Erkian-i-Harb Mumtazi), lives in the little village of Kurana, lying close to Mawana. While we were paying our respects to the latter official we were joined by Behdjet Bey (see above), who arrived from Inchké Su, followed a few minutes later by Saadi Bey, Turkish consul at Urmia, at 5.35 P.M. Our Turkish escort accompanied us for about an hour and a half to a point on the range of the lower hills overlooking the Urmia plain, where they took leave of us. Continuing our journey we arrived at 9.20 P.M. at the large Christian (Nestorian) village of Anhar, situated in the plain. Having learnt here that our escort had arrived at Urmia on the 20th June, we gave directions for it to come to Anhar without delay.

June 22.—Our escort having arrived in the early morning, we proceeded with it to Urmia, which we reached at about noon, having been met on the road by M. Golubinow, Russian vice-consul, representatives of the local authorities, by an official on behalf of the Turkish consulate, in addition to many members of the European colony, &c.

H. S. SHIPLEY.
V. MINORSKI.

Urmia, June 27, 1911.

P.S.—On arriving at the village of Kurana (not to be confounded with Kurana in Tergava), close to Mastakan, a charge was preferred by Khalil Bey, son of Sheikh Mohammed Emin (of the Shemdinan purely), against one of the Persians belonging to our caravan, which, under the Turkish escort, had passed through shortly before, of having wantonly killed one of the dogs of the village. "Could," asked Khalil Bey, very arrogantly, "such things be allowed to Persians travelling through territory which, praise be to God! was under the protection of the Turkish Government?" We replied civilly that there were two sides to each question, that we would enquire into the matter, and that if our servant was really in fault we should be ready to offer reasonable compensation. From the statement subsequently made to us by the servant in question it appeared that in fact he had killed the dog, but only in self-defence on being attacked by the latter.

Even at the time the complaint was made it seemed obvious to us that what was desired was not so much compensation as to make capital out of the incident, and, as it is rumoured that a petition to Constantinople is being got up protesting against our "arbitrary" action, we have thought it necessary to bring the facts of the case to your notice.

H. S. S.
V. M.

[27864]

No. 95.

Sir G. Barclay to Sir Edward Grey.—(Received July 17.)

(No. 111.)

Sir,

Gulahek, July 1, 1911.

AS was perhaps to be expected, difficulties have arisen between Mr. Morgan Shuster, the American Treasurer-General, and M. Mornard, the Belgian Administrator-General of Customs.

As reported in my despatch No. 95, Confidential, of the 13th ultimo, Mr. Shuster drafted a Bill giving himself extensive powers, article 5 providing that without the Treasurer-General's signature or sanction no Government expenditure was to be made. The Bill passed the Medjliss on the 13th ultimo, and on the 16th ultimo Mr. Shuster wrote to the Imperial Bank as follows:—

"Please take note that, in accordance with article 5 of the law voted by the Medjliss on the 13th June, 1911, no expenditure can be made by the Imperial Government without the signature or authorisation of the Treasurer-General . . ."

On the 21st ultimo two cheques drawn by M. Mornard on the customs account at the Imperial Bank for charges, I understand, which it has been customary for M. Mornard to meet from the customs revenue were presented at the bank for payment, but the bank, in accordance with Mr. Shuster's instructions quoted above, refused to honour them, referring them to the Treasurer-General, who at once met the charges in question by cheques drawn by himself.

M. Mornard wrote to the chief manager of the Imperial Bank, indignantly protesting against his action as illegal, to which Mr. Wood replied, quoting his instructions from the Treasurer-General.

Meanwhile Mr. Shuster wrote to M. Mornard on the 21st June—the date on which M. Mornard's cheques were dishonoured—drawing attention to the law defining the Treasurer-General's powers, and stating that all the gross receipts of the customs and all balances at the Imperial Bank and the Russian Bank should be placed to his credit. At the same time he declared his readiness to pay the expenses of the customs establishment if M. Mornard would fill in certain forms giving the necessary particulars. M. Mornard replied in a letter containing little more than a mere acknowledgment, and has so far not acted as desired by Mr. Shuster.

The question whether or not the customs administration is to be subordinate to the Treasurer-General is very acute at the moment of writing. The Belgian chargé d'affaires states that in the contract of the Belgian Administrator-General it is expressly laid down that he is to be subject to the orders of the Grand Vizier and the Minister of Finance, and that this principle was confirmed by a note addressed by the Belgian Legation to the Persian Government at the time of M. Bizot's appointment. On the other hand, Mr. Shuster is hardly likely to acquiesce in the exclusion of the customs administration from his control. Mr. Shuster and M. Mornard have not yet met, each maintaining that it is for the other to pay the first call. I understand that the Regent is endeavouring to arrange a meeting between them, when it is to be hoped that some *modus vivendi* will be found.

My Russian colleague is disposed to support M. Mornard, and may possibly invoke my assistance. As I understand it, he considers that Russian interests would be jeopardized if the customs revenue, as distinct from the balance remaining after the fixed charges prescribed by the Russian Bank's agreement of last January (see my despatch No. 3) have been met, were placed under the control of a new-comer who has not been in Persia long enough for there to be any assurance that he will not abandon his task and be succeeded by a Persian. M. Poklewski also points to article 5 of the above-mentioned agreement, by which certain payments are to be made "à l'intervention de l'Administration des Douanes," a phrase which he feels would warrant his insisting on these payments continuing, as in the past, to be made by M. Mornard.

It seems to me that the danger apprehended by M. Poklewski might easily be met by reserves made by the two legations against the eventuality of Mr. Shuster's retirement. I do not therefore see how the subordination of the customs administration is likely to prejudice legitimate Russian interests or the interests of Great Britain, and in this connection I should mention that the chief manager of the Imperial Bank, who in view of the imminence of the issue of the bank's loan would naturally be inclined in M. Mornard's favour if he felt that the change desired by Mr. Shuster

[1505]

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would adversely affect the security on which the loan is pledged, is strongly in favour of the subordination of the customs administration to Mr. Shuster. A letter of Mr. Wood to his head office of the 29th June, 1910, will throw some light on his reasons for thinking this desirable. I have hardly seen Mr. Shuster, as he has hitherto held aloof from the foreign legations, in order, as I understand, to establish among the Persians confidence in his independence of foreign influence. But from what I am told by persons who are in touch with him, I am convinced that he fully realises the necessity of observing all the liens on the customs revenues sanctioned by law and usage, and the readiness with which he issued new cheques in the place of those of M. Mornard, dishonoured by the Imperial Bank, would seem to bear this out. I feel, moreover, that if M. Mornard gains his point it is quite possible that Mr. Shuster may resign, and in view of the high hopes centering round his mission it would be very unpleasant that there should be any ground for saying that any action of mine was in a measure responsible for the abandonment by him of his efforts for Persia's financial regeneration. Furthermore, it would I conceive justly give umbrage to America were I to oppose Mr. Shuster when it is not clear that his action, which is manifestly in the interests of Persia, is injuring British or Russian interests.

In these circumstances I am holding aloof from the controversy, and shall continue to do so unless instructed to the contrary.

I have, &c.

G. BARCLAY.

[27813]

No. 96.

Mr. Marling to Sir Edward Grey.—(Received July 17.)

(No. 484.)

Sir,

Therapia, July 11, 1911.

WITH reference to my despatch No. 846 of the 22nd November last, relative to the disposition of Turkish military forces on the Turco-Persian frontier, I have the honour to report that His Majesty's vice-consul at Mosul telegraphs to the effect that the 1st Battalion of the 103rd Regiment has arrived at Mosul from Khanikin.

I have, &c.

CHARLES M. MARLING.

[27839]

No. 97.

Sir G. Buchanan to Sir Edward Grey.—(Received July 17.)

(No. 201. Secret.)

Sir,

St. Petersburg, July 12, 1911.

AS I have already had the honour to inform you by telegraph, the Acting Minister for Foreign Affairs yesterday read to me the amended text of the Russo-German agreement, which his Excellency proposes to hand to the German Ambassador on Friday.

It consists, like the revised draft drawn up by M. Sazonow, on which I reported in my despatch No. 44, Secret, of the 21st February last, of a preamble and four articles; and the following is, to the best of my recollection, a summary of its essential points:—

The preamble records the principle of commercial equality, recognises Russia's special political interests in Persia, and ascribes a purely commercial character to the interests of Germany.

Article 1. Germany declares that she will not seek for concessions for railways, telegraphs, and roads to the north of a line drawn from Kasr-i-Shirin, and passing by Ispahan, Yezd, and Kakhk to the Afghan frontier at the latitude of Ghazik.

Article 2 is to the following effect:—

The Russian Government, having the intention of securing from the Government of the Shah the concession for the construction of a system of railways in the north of Persia, engages to obtain simultaneously a concession for a linking-up line for the Sadijeh-Khanikin line; to commence its construction within two years of the day on which that branch of the Konieh-Bagdad Railway shall have been completed; and to complete the said construction within a further term of four years. The Russian Government is free to fix the *tracé* of this linking-up line, while taking into

consideration any desiderata which Germany may put forward, and both Governments agree that there are to be no differential rates on either of the two lines. In the event of Russia being unable or unwilling to commence the construction of the line within the prescribed term of two years, she reserves the right of renouncing the concession.

Article 3. Russia engages not to oppose the realisation of the Bagdad Railway, nor to place obstacles in the way of the participation of foreign capital; but no pecuniary nor economic sacrifices are to be demanded of her.

Germany engages to take no decision with regard to the construction of railways in the zone situated between the Bagdad line and the Russian and Persian frontiers to the north of Khanikin without a previous understanding with Russia.

Article 4 is virtually explanatory of the concluding sentence of article 2.

In the event of her renouncing the concession, Russia reserves the right to cede it to a foreign financial syndicate; to participate in the enterprise to the extent which she may desire; to enjoy all the same privileges as the constructor or the most favoured nation; and to have the right to purchase the line when completed at cost price.

The principal concessions made to Germany by M. Nératof are the omission of the word "Konieh" before "Bagdad Railway" in the third article, and the toning down of the engagements taken by Germany with reference to the railways to the north of Khanikin. On the other hand, M. Nératof has modified the articles dealing with the Tehran-Khanikin line in a sense which is certainly favourable to Russia, as Germany was demanding that its construction should be completed within two years from the date of the line from Sadijeh reaching Khanikin. If his Excellency adheres to his decision to inform the German Ambassador that his consent to the omission of the word "Konieh" is conditional on the acceptance by Germany of the rest of the agreement, and if Germany consents to this, M. Nératof will, I think, have good reason to be satisfied with this arrangement from the Russian point of view.

I confined myself to expressing the hope that the agreement had now attained its final shape, and that he would not listen to any fresh demands on Germany's part. His Excellency replied that Germany would probably raise objections to the terms of the second and fourth articles, as she would no doubt be anxious to obtain the reversion of the concession for the line from Khanikin to the north. He gave me, however, to understand that he would not consent to any but verbal alterations.

On my thanking his Excellency for his courteous communication, and on my wishing him every success in bringing the negotiations to a speedy termination, M. Nératof enquired whether I saw any particular advantage in the agreement being signed without further delay. I replied that it seemed to me that the conversations had lasted quite long enough, and that the signature of the agreement in its present form would, I should have thought, be a considerable relief to the Russian Government. M. Nératof, however, appeared to be quite indifferent as to whether the negotiations were prolonged or not; and his indifference may perhaps be explained by the difficulties with which the Russian Government will be confronted when the time comes for securing the capital required for the construction of the Khanikin-Tehran railway.

I have, &c.

GEORGE W. BUCHANAN.

[27841]

No. 98.

Sir G. Buchanan to Sir Edward Grey.—(Received July 17.)

(No. 203.)

Sir,

St. Petersburg, July 12, 1911.

WITH reference to Mr. O'Beirne's despatch No. 190 of the 1st instant, I have the honour to forward to you herewith copy of a further extract which I have received from the Acting Minister for Foreign Affairs, containing information received at the Ministry from the Russian delegate on the Turco-Persian frontier.

I have, &c.

GEORGE W. BUCHANAN.

Enclosure in No. 98.

Extract from Report from the Russian Delegate on the Turco-Persian Frontier.

AVANT leur départ d'Ourmiah les représentants russe et anglais furent avertis par le consul de Turquie dans ladite ville qu'entre cette dernière et le district Soutchboulak, où ils se rendaient, ils auraient à traverser deux fois le territoire ottoman et que, par conséquent, ils ne pourraient être accompagnés de leurs escortes. Après des pourparlers à ce sujet, ledit consul promit d'aplanir ces difficultés par des lettres privées de sa part aux autorités turques. Néanmoins, les représentants durent attendre deux jours l'autorisation du Caimakan d'Ouchnou de traverser un terrain de 5 verstes de largeur situé sur la rive droite de la Rivière Barandouz, que les Turcs considèrent comme leur appartenant, pour arriver dans le district Dol, reconnu comme persan, mais entouré de tous les côtés par des terrains soi-disant turcs. En se rendant dans ce dernier district les représentants prévoyaient qu'ils auraient à attendre là-bas une autre autorisation pour traverser celui de Souldouz, également considéré par les autorités ottomanes comme territoire turc.

[28091]

No. 99.

Papers communicated by Sir T. Jackson, July 17, 1911.

(1.)

Extract from a Private and Confidential Letter from Mr. Wood, Tehran, dated June 21, 1911.

SHUSTER has taken the bull by the horns, and instructed us and the Russian Bank not to honour any cheques except those bearing his signature. This puts an end to Mornard and Co. Shuster has also closed all Government accounts with native bankers, including Toumaniantz, and in future no accounts will be kept except those with the two European banks. The inland revenue account will be with us; also all other accounts which Shuster can conveniently pass to us.

(2.)

Extract from a further Letter from Mr. Wood, dated June 24, 1911.

On the 22nd June, at the Coronation party, Sir George Barclay said that he could not support me in obeying instructions issued by the Treasurer-General. I told him it was impossible for me to disregard these instructions, which were given by virtue of a special Act of Parliament. Poklewski then joined us, and thought fit to express his opinions in most bellicose and unmeasured terms, which, of course, had no effect upon me whatever. I saw Shuster yesterday, and told him what had passed the night before, and he assured me that he had no intention of budging a hair's-breadth from the powers granted. These powers were specially granted with the object of stopping speculation, strange to say, in the Customs administration itself. Shuster tells me that he has made some very startling discoveries, and will not hesitate to expose the Belgian administration if he is driven to it. This morning it is rumoured that Mornard has resigned or desires to do so, but the news is not yet confirmed. Shuster tells me that the expenses of customs collection amount to 8 or 9 per cent. of the receipts, whereas, in his opinion, they ought to be in the vicinity of $3\frac{1}{2}$ or 4 per cent. Poklewski mentioned the possibility of Mornard resigning, so if there is any truth in this morning's rumour the move is doubtless political.

I enclose copy of a telegram sent to all our branches at the request of Shuster. Similar instructions are being sent to all our correspondents by letter.

(3.)

Copy of the Telegram above referred to.

Receive all sums tendered to you for account of Treasurer-General of Persia and open account in this name in your books; advise all receipts by service message. Only the Treasurer-General will draw on this account either direct or through us. Money once paid into the bank for account of the Persian Government cannot be withdrawn without the signature or authorisation of the Treasurer-General. This is in accordance with law passed by Medjliss on the 13th June, 1911.

(4.)

Extract from a further Confidential Letter, dated June 28, 1911.

The "affaire Mornard" has become very acute. I have discussed it very fully with Shuster who is quite unbending, and declares he will be compelled to look into the past unless Mornard is wheeled into line. I enclose copy of a letter received from Shuster this morning, which clearly shows what backing he has in the right quarter. He has obtained from us a list of all Government credit balances, amongst which figures "J. Mornard, F.R.C., a/c" with a credit of 14,400 tomans odd. Shuster wants to know what this account means, but of course we cannot throw any light upon it. All we know is that Mornard pads it up with transfers from the ordinary customs receipts, and the Belgians at the various ports remit bank drafts which go to swell the account. The fact of the matter is that Mornard and Co. slipped into a position from which the Persians could not dislodge them, and, as Shuster explains in his letter, the power granted to him was with the object of controlling the Belgian administration. Shuster tells me that it was all he could do to restrain the Medjliss from taking even more drastic measures.

(5.)

Copy of Letter from Mr. Shuster to Mr. Wood.

Dear Mr. Wood,

Tehran, June 27, 1911.

Excuse me for not answering your note at once. I receipted for it while I was talking to some people, and have just now had a chance to read it.

I have explained the "affaire Mornard" to several of the leading deputies, and they state unreservedly that they will absolutely support me in my position to any length that may be necessary, and that the entire Medjliss may be relied on to take that stand. Furthermore, that this exact question was fully discussed in committee and in the Medjliss, and that the precise intention of the law was as it has been construed.

I am going to see the Regent at 10 A.M. to-morrow at Shimran, and hope to lay the entire matter before the Council of Ministers on my return, if I can get back in time. The Medjliss may be relied on for absolute support in this matter to whatever length may be necessary, and the leaders with whom I spoke this evening were so indignant at the situation that they wanted to call up the Ministry and interpellate them on the subject before I could present the case to the council, but, at my request, they agreed to wait further word from me. Personally, I have no doubt that Mornard will promptly come down from his untenable position.

I am glad that the silver was obtained at the limit fixed in my letter.

With kindest regards, I am, &c.

W. MORGAN SHUSTER.

P.S.—Have reason to believe that Sir George is taking the correct view of the little matter.

W. M. S.

(6.)

Extract from Letter from the Chief Manager, dated July 5, 1911.

I confirm my telegram of to-day, which is self-explanatory. The difference between the Treasurer-General and M. Mornard has become most acute, and has now taken a political aspect owing to the unreasonable attitude of the Russian Minister, who objects to the powers granted to Mr. Shuster.

If Persia is not to be allowed to enter into reforms her cause is hopeless, but I trust she has enough friends at home as well as abroad who will see that common justice is done.

Sir George Barclay has telegraphed his views to the Foreign Office, and asked them to refer to you for my letter of the 29th June, 1910, in which I described the unsatisfactory methods employed by M. Mornard in the collection of the customs revenues.

In my message of to-day I asked you to send me the drafts mentioned in your board letter of the 6th February, 1909, note (A), as Mr. Shuster requires to see them.

[28098]

No. 100.

Sir G. Barclay to Sir Edward Grey.—(Received July 17.)

(No. 256.)

(Telegraphic.) R.

Tehran, July 17, 1911.

SALAR-ED-DOWLEH'S movement (see monthly summaries under heading Tabreez) has now taken a serious turn. He has occupied Senneh and the neighbourhood, and Regent tells me that there is a danger of Kermanshah joining him; that he has proclaimed Mahomet Ali as Shah; and has telegraphed to Medjliss directing them to invite His Majesty to return. His Highness also tells me that ex-Shah's [group omitted: ? agents], recently detained at Baku, have been allowed to proceed to Persia.

Regent is much perturbed, and has enquired privately of Russian Minister and me whether two Governments will stand aside and allow whoever is strongest to win, or will prevent ex-Shah from returning.

Regent was informed of the warning to be given to the ex-Shah at Vienna, but his Highness was not satisfied, and said that what he wanted to know was, would or would not two Governments stop His Majesty by force if he attempted to regain his throne? A hint on this point would be sufficient. His Highness would know what attitude to adopt.

We have replied that without instructions we could not give him definite guarantee he desired. Russian Minister explained to his Highness that policy of his Government was one of absolute neutrality, and that ex-Shah had been informed he would receive no moral or material support from them in any attempt to regain throne, that he would forfeit his pension, and the Russian Government would not make it good.

[28235]

No. 101.

Messrs. Ellinger and Co. to Board of Trade.—(Communicated by Messrs. Ellinger, July 18.)

Sir,

28, Oxford Street, Manchester, June 15, 1911.

FOLLOWING upon recent communications having reference to the claims of Messrs. Andrew Weir and Co., and ourselves, against the Persian Government, we enclose for your information a copy of a letter that we are writing to-day to His Majesty's Foreign Office.

While we are entitled on various grounds to claim the protection of His Majesty's Government in priority to any other interest, we recognise that the Secretary of State may feel reluctant to do anything in our favour which can be regarded as injurious to

the interests of Messrs. F. C. Strick and Co., we cannot for a moment admit that their interests ought to be allowed to come into conflict with our just rights as repeatedly urged, but at the same time we should be glad to render any assistance in our power to reconcile what may be thought to be the conflicting interests of two British subjects, and it is from that point of view that we threw out verbally the suggestion of which you have been informed and to which we will presently refer.

As you will see from the enclosed copy letter, our proposal to the Foreign Office for settlement of the claims of Messrs. Andrew Weir and Co., and ourselves, involves, (1) that no further shipments of oxide shall be made otherwise than by Messrs. Andrew Weir and Co.; (2) that Messrs. Andrew Weir and Co. shall be allowed to take away the remainder of the oxide which they should have received under the contract if it were still in force; and (3) that we shall bring the value of the oxide thus received, as and when realised, into account against and in reduction of the claims specified in the letter of which we enclose a copy.

If our proposal is accepted, we are prepared, as we have verbally indicated, to undertake to deliver to Messrs. F. C. Strick and Co., at the exact cost laid down in store, the unsold balance of 4,095 tons of oxide warehoused at Avonmouth, and 2,488 tons warehoused at Nordenham, and also to sell to them at the like cost the undelivered balance of 5,218 tons, which, on the footing of our proposal, would be shipped by Messrs. Andrew Weir and Co.

For the protection of Messrs. F. C. Strick and Co. it may be desired by them to stipulate that the oxide which they would purchase under this arrangement shall be brought into account as if the same were equivalent to shipments taken by them under their contract with the Persian Government.

We are not, of course, overlooking the fact that Messrs. F. C. Strick and Co. would, under this arrangement, pay a slightly increased rate for the oxide as compared with what we understand to be their contract price with the Persian Government, but this would be amply met by the fact that under the same contract, as we understand, they have had 1,000 tons of oxide allowed to them free of cost for the express purpose of compensating them on their undertaking an obligation to protect the Persian Government from any claims consequent upon the contract with them being entered into.

If you require any further information as to details, kindly let us know, and we will endeavour to furnish the same.

We wish it to be distinctly understood that the suggestion thrown out by us is not made as an offer of compromise, but wholly and entirely from a desire to assist His Majesty's Government in meeting a difficulty for which we are in no way responsible and which should not be allowed to stand in the way of our just and prior claims.

We are, &c.

ELLINGER AND Co.

[28215]

No. 102.

Anglo-Persian Oil Company to Foreign Office.—(Received July 18.)

*Winchester House, Old Broad Street, London,
July 15, 1911.*

Sir,

I BEG to enclose copy of a memorandum which, at their request, I have handed to His Highness Prince Ala-e-Saltaneh and to his Excellency the Persian Minister, giving a rough outline of our proposals in connection with the Persian railways.

Should you consider it advisable to modify what has been said in any respect, I shall be glad to hear from you, and I will, if necessary, send His Highness and his Excellency an amended memorandum.

I have, &c.

C. GREENWAY,

Managing Director.

Enclosure in No. 102.

Memorandum respecting Persian Railways.

OUR group, which will be called the Persian Railways Syndicate, and will be composed of:—

1. The Anglo-Persian Oil Company group, including—

Lord Stratheona,
Mr. W. K. D'Arcy,
Mr. J. T. Cargill,
Mr. Tarbett Fleming,
Mr. C. W. Wallace,
Mr. Frank Strick,
Mr. R. W. Adamson,
Mr. C. Greenway, &c.;

2. The Imperial Bank and Persian Transport Company group, including—

Sir Thomas Jackson,
Sir Thomas Gordon,
Mr. H. B. Lynch, &c.;

3. The British-Indian Steam Navigation Company group, including—

Lord Incheape,
Mr. W. A. Buchanan, &c.;

4. The British and Foreign General Securities and Investment Trust, including—

Mr. T. B. Bowering,
Mr. Alex. B. Williamson, &c.;

5. The Weetman Pearson group, including—

Lord Cowdray,
Sir Clarendon Hyde, &c.;

will be prepared to enter into contracts for, and undertake construction of, the following railways in Persia:—

1. From Mohammerah and/or Khor Musa to Khoramabad or Burujird,
2. From Bunder Abbas to Kerman,
3. From Bunder Abbas to Shiraz,
4. From Bunder Abbas to Mohammerah;

with a view to the eventual carrying on of the first three of these lines as below:—

5. (1.) From Khoramabad to Tehran, via Burujird, Dowlatabad, and Hamadan, or via Burujird, Sultanabad, and Kom,
6. (2.) From Kerman to Ispahan, via Yezd,
7. (3.) From Shiraz to Tehran, via Ispahan, Kashan, and Kom.

As Persia cannot, obviously, for financial reasons deal with the whole of these systems at once, it is proposed that they should be taken in hand one by one in the above order in accordance with Persia's ability to provide the necessary guarantees for the capital required.

The line from Mohammerah and/or Khor Musa to Khoramabad is suggested as the first one that should be constructed, because (1) it will give the readiest communication with the Persian Gulf, for the whole of the trade of the north-west of Persia, including Tehran, being connected by caravan routes or roads with Kermanshar on the west; with Burujird, Dowlatabad, Hamadan, Zindjan, and Kasvin on the north; Sultanabad, Kom, and Tehran on the north-east; and with Ispahan on the east; and (2) will, therefore, by attracting the trade of the important districts, of which these towns are the centres, offer the best prospects of remunerative working.

It would also place Tehran within four or five days' communication of the Persian Gulf, instead of the present fifteen to twenty days.

[Capital.]

It is proposed that the capital should be raised by means of "State railway loans," secured by (1) such revenues of the Persian Government as may be available for hypothecation, and (2) the railway and its earnings.

At present the only revenue within sight available for such a purpose is the surplus shown in the southern customs after meeting outstanding liabilities. This, however, is too small for the purpose in view, but it is possible that the Treasurer-General may before long, either by augmenting existing sources of revenue, or by devising new ones, be able to provide the necessary security.

The capital cannot, in the present position of Persia, be obtained without the securities indicated above, because (1) the possibilities of Persia as a field for the remunerative investment of capital in railways are entirely unknown to investors, and (2) even if there were more knowledge on this point investors would not be willing to invest in Persian railways without substantial guarantees, because public information in Europe leads to the assumption that there is great political insecurity in the country.

The bonds issued in connection with the "State railway loans" would be 5 per cent. bonds, and they would be purchased by the syndicate in the same manner as the bonds which are to be issued for the recent Persian Government loan of 1,250,000*l.*, i.e., at say 87½ per cent. for each 100*l.*, and the nett amount provided by the loans must for each line suffice to cover (1) cost of surveys; (2) cost of construction and equipment, including cost of wharves, jetties, &c., that may be required at ports, and administration expenses during construction; and to relieve the Persian Government of this obligation until the railways are working, it would also be well to include (3) interest on the bonds during the period of construction. It might also be necessary to include amortization.

The bonds would be issued for a period of years, say twenty-five to thirty years, with the right of redemption to the Persian Government at par at any time after five to ten years, either out of the amortization fund, and/or out of the Government revenues.

Administration.

The syndicate would be willing to undertake the construction of the lines on behalf of the Persian Government as "State railways," but they would stipulate that the construction should be undertaken by themselves, and that the railways should, as in other countries, be worked under their supervision until such time as the Persian Government were in a position to pay off the loans.

To facilitate the latter, it might be arranged that the loan or loans in respect of each complete railway should be earmarked, thus giving the Persian Government the opportunity of taking over and administering each railway as its loan (or loans) is liquidated.

[28175]

No. 103.

India Office to Foreign Office.—(Received July 18.)

Sir,

India Office, July 17, 1911.

IN reply to your letter dated the 21st June, 1911, regarding proposed agreements of the Indo-European Telegraph Company with the Russian and Persian Governments respectively, for the working and maintenance of certain telegraph lines in Northern Persia, I am directed by the Secretary of State for India to enclose, for the consideration of Secretary Sir E. Grey, copy of a note by the Director-in-chief of the Indo-European Telegraph Department upon the subject.

It will be seen that the proposed agreement with the Persian Government is at variance in important matters with the arrangements that have been entered into by the British with the Russian Government, and that, in the opinion of Mr. Kirk, it is very desirable that the convention regarding the Arabistan lines should be ratified so as to secure the renewal of the British Telegraph Conventions until the 1st January, 1945.

The Marquess of Crewe concurs generally in the views expressed in Mr. Kirk's note, and would suggest that, if Sir E. Grey sees no objection, the reply to be made to M. Pagenkopf should be the sense proposed in its final paragraph. In addition, it

[1505]

X

would seem well to convey to him a warning as regards what is said in his letter to M. de Klemm as to a possible extension of the telegraph line from Meshed to Herat, that no scheme of telegraph into Afghanistan could be carried out except after consultation with the British Government.

As regards the ratification of the Arabistan convention, it is presumed that this is a matter in which the Persian Government will be advised by their newly appointed Treasurer-General, Mr. Morgan Shuster. Lord Crewe would suggest, however, that if Sir E. Grey has no recent information in the matter, His Majesty's Minister at Tehran might be asked his opinion as to the likelihood of the convention being ratified.

I am, &c.

R. RITCHIE.

Enclosure in No. 103.

Note on Foreign Office Letter, dated the 21st June, 1911.

IN his letter below, dated the 12th April, 1911, to the Foreign Office, Sir George Buchanan reported that M. Pagenkopf, the permanent representative of the Indo-European Telegraph Company in St. Petersburg, had visited the embassy that day, and had indicated that there had been conversations on the best means of improving the telegraph lines in Northern Persia with M. de Klemm, at the Ministry of Foreign Affairs, but that these conversations had been purely of a general character, and had not entered into details. In the correspondence now received with Foreign Office letter of the 21st June last there is a copy of a letter, dated the 5th April last from M. Pagenkopf to M. de Klemm, in which he explains the proposals of his company for working the telegraph lines in Northern Persia, and with which he forwards agreements that the company proposes should be entered into for the purpose. This letter of M. Pagenkopf, therefore, was sent to the Russian Foreign Office a week before his visit to the embassy, when he stated that no details on the subject had been entered into.

2. There are two agreements to be considered. The first agreement is the one it is proposed should be entered into between the Russian Government and the Indo-European Telegraph Company. There appears to be nothing in this proposed agreement that the British Government can object to, as it defines the remuneration the company proposes should be granted to it by the Russian Government for telegraph work in the erection or reconstruction of the main telegraph lines in the Russian sphere of influence in Persia, and for the subsequent maintenance and working of these lines. This question of remuneration is one which only concerns the Russian Government and the company, so far as it is dealt with in this agreement.

3. The second agreement has the heading "Proposed Agreement between the Imperial Russian and Persian Governments and the Indo-European Telegraph Company," but in his letter of the 10th June to the British Ambassador, M. Pagenkopf calls it the "Proposed Agreement with the Persian Government," which seems the more correct title, as all the telegraph lines the company is prepared to undertake the control of are Persian Crown lines. This agreement first gives a list of the telegraph lines the Indo-European Telegraph Company is prepared to take over. The third telegraph line mentioned in this list is the one between Meshed and Birjand. But under our arrangements with the Russian Government the line from Seistan to Khaf, on which Birjand is an intermediate station, comes under the control of the British Government. In the list of lines therefore "Meshed-Birjand" should be altered to "Meshed-Khaf." The last telegraph line shown on the list is the Tehran-Khanekin line, which at present runs through Khaniabad and Nuveran to Hamadan. It will be seen the company proposes to carry the line through Kazvin to Hamadan, and then follow the present route into Khanekin. This alteration will be a matter for the company to settle with the Persian Government.

4. In article 1 of the agreement the company asks for a guarantee of 5 per cent. on the capital it expends to put the lines in order, and on the cost of maintaining the lines afterwards. If the receipts from the traffic carried prove sufficient to provide this 5 per cent., no contribution from the Russian or Persian Governments will be called for. By article 6 the company proposes to collect and retain all charges for internal messages. So far the revenue from this class of traffic has been paid to the Persian Government. For instance, on the Tehran-Meshed line all the local traffic receipts have gone to the Persian Government, and the Indian Government pays up to a maximum of 20,000 rupees per annum for maintaining the line and working it with British telegraphists at Meshed and Tehran. It may be expected therefore that the

Persian Government will not be willing to alter its present advantageous position as to this line and adopt the proposals of the company with regard to it. In fact, it seems desirable that the consent of the Persian Government should be obtained to the exchange of the control of the Tehran-Meshed line from the British to the Russian Government, and of the Khaf-Seistan line from the Russian to the British Government, before the company's proposals for working the former line are placed before the Persian Government. We have also an arrangement with the Russian Government by which British signallers, after the exchange of control of the lines has taken place, will be stationed at Tehran and Meshed to work that line at intervals daily. The company apparently has no knowledge of this, as it is not referred to in the agreement.

5. In M. Pagenkopf's letter of the 5th April last to M. de Klemm, it will be seen that the company is prepared to extend the Meshed line to Herat if this should at any time become necessary. But Khaf, which is to be a joint British and Russian office, is the nearest Persian telegraph office to Herat, and there is a road between the two towns. The letter further refers to the Indo-European Telegraph Department possibly wishing to relinquish part or all of its lines in Persia, and the company being willing to assume charge thereof. From this it would appear that the company is looking forward to the possibility that the British Telegraph Convention will not be renewed beyond 1925 by the Persian Government. Under existing agreements the department's lines from Tehran to Bushire would then be taken over by the company, and the central Persia line could also be made over to the company by the Persian Government, if what remains of the debt on it for its construction was paid off by that Government. The company could advance the money necessary for this to the Persian Government, and would then be able to take over all the department's lines in Persia. It is very desirable that the convention regarding the Arabistan lines should be ratified, and our position would then be secure till 1945. Otherwise, in 1925 the company might be found in control of all the main telegraph lines in Persia, working them, as stated in M. Pagenkopf's letter of the 5th April to M. de Klemm, under the benevolent protection of the Russian Government.

6. The Foreign Office proposes, if the Secretary of States sees no objection to the terms of the two agreements, that M. Pagenkopf should be informed accordingly. I have shown there are certain objections to the agreement with Persia. I would suggest that the reply might perhaps be that M. Pagenkopf should be told that the proposed agreement between the Russian Government and the company on the question of the company's remuneration is not one on which an opinion seems to be called for, but that the terms of the proposed agreement with the Persian Government appear to require certain modifications to bring them into line with arrangements that have been entered into by the British Government with the Russian Government, and that no doubt the Russian Government, after a consideration of the agreement, will point out what modifications are necessary.

H. A. KIRK.

July 5, 1911.

[28227]

No. 104.

M. Goukassow to Sir A. Nicolson.—(Received July 18.)

Sir, 3 and 4, Lime Street Square, London, July 17, 1911.

I BEG to enclose herewith a memorandum on a trunk railway through Persia which has been drawn up at your suggestion by the members of the Russian committee at present in London deputed for negotiations in England.

As my friends intend to leave London on Wednesday morning, they request you to give them an appointment to-day or to-morrow, in order to report to you on the progress of their work here.

I also request you on behalf of my friends to address all future communications to me, as the only representative of the Russian committee living in London. All communications should be addressed to the above address, or to 3, Whitehall Court, S.W. (telephone 3160 Victoria).

I beg to hand you herewith ten copies of "Brief Notes on the Preliminary Expenses for the Construction of a Trans-continental Railway through Persia."*

I remain, &c.

ABR. GOUKASSOW.

* Not printed.

Enclosure in No. 104.

M. Homiakoff to Sir A. Nicolson.

Sir,

July 17, 1911.

THE rapid development of civilisation in Central Asia and the need of better communication with Europe has caused public opinion in Russia to recognise clearly the necessity of constructing an overland route through Persia to connect the existing railway systems of Europe with those of the rich and densely populated regions of India and South-Eastern Asia.

With this object in view a Russian committee has been formed in Russia (1) to study the possibility of the construction of such a route; and (2) to ascertain the views of the Russian Government on the subject. After a close investigation based on data including materials of the Ministries concerned the Russian committee have come to the conclusion—

That the trunk line through Persia must be constructed by a single international company, in which the Russian and English interests shall predominate, and in which interests other than English or Russian may or may not be admitted according to agreement with the British Government and with the English committee, which should later be formed;

That it is an indispensable condition for the commercial success of the railway, that the line through Persia should be as short and straight as possible, in order to enable it to compete both with other existing means of transit and possible future lines. With this object in view the committee have decided on a route to pass from Baku through Astara, Tehran, and Kerman to Nushki. But it is clearly understood that if, from the British point of view, Nushki be found unsuitable as the point of junction with the Indian railway system, and if Kurrachee be recommended instead, the alteration could be adopted without affecting the commercial success of the line, providing, however, that the section between Kerman and Kurrachee should run as far as is practicable in a due south-easterly direction without any unnecessary deviations which would lengthen the line as a whole.

The Russian committee have also studied the financial prospects of such a line, have made a rough estimate of the cost of construction, and have examined the possible effect of such a line on the increase of profits for the Russian railway system.

The conclusions at which the committee have arrived in this respect are embodied in a substantial report, a brief extract of which has been handed to the representative of the British Government and to two of the leading bankers in London.

Having secured the approval of the Russian Government, the Russian committee have at the same time interested all the leading Russian banks, and they (the banks) have subscribed a capital of 300,000 roubles for further preliminary investigation.

The Russian committee have now concluded the first part of the task and have come to the conclusion, that the moment has arrived when a "société d'études" should be formed including the representatives of at least the two most concerned nations outside Persia, i.e., England and Russia. With this object in view, the Russian committee have deputed the undersigned to come to London and to approach both the British Government and the financiers of London in order to form jointly such a "société d'études" for further preliminary investigation, for negotiations with the Persian Government to obtain the necessary concessions and also for the final formation of the company for the construction of the railway.

As mentioned above, we have approached the leading financial houses and also some leading public men of England who stand for a closer relationship between the two countries, and we are glad to state that we have found them most favourably disposed towards the realisation of our object. But it has been pointed out to us that before any definite steps towards the formation of a "société d'études" could be undertaken, two points of importance should be settled: firstly, the question of the final alignment of the section between Kerman and Kurrachee; and, secondly, whether the British Government or the Government of India would to any extent be prepared to support the promoters on the English side in the same way as the Russian Government and the Russian banks are prepared to support the Russian promoters of the scheme. Our friends here have pointed out to us that whereas we in Russia have already collected 300,000 roubles for our share of the preliminary expenses (which sum includes further preliminary investigation, technical survey, and the expenses for the formation of the company, and whereas we can reckon on some support from the Russian

Government, as pointed out in our printed report, they are unable as yet to gauge the extent of support which the British Government or the Government of India would be prepared to give them in case they decided to collaborate with us. This being the position at the moment, the undersigned are of opinion that at this stage the co-operation of the British Government is highly desirable, and we beg to submit the matter to your consideration.

I remain, &c.
(On behalf of the Russian Committee),
N. HOMIAKOFF.

[28204]

No. 105.

Sir G. Barclay to Sir Edward Grey.—(Received July 18.)

(No. 257.)

(Telegraphic.) P.

Gulahck, July 18, 1911.

I AM informed by the Regent that the Bakhtiari Khans have agreed to place a force in the field against Prince Salar-ed-Dowleh. Sadar Assad has been invited to return to Persia by Nasr-ul-Mulk.

[28104]

No. 106.

Sir G. Barclay to Sir Edward Grey.—(Received July 18.)

(No. 258.)

(Telegraphic.) Decode.

Tehran, July 18, 1911.

MY telegram No. 251 [of 14th instant].

Sipahdar has consented to form Cabinet.

[28234]

No. 107.

Sir G. Barclay to Sir Edward Grey.—(Received July 18.)

(No. 259.)

(Telegraphic.) P.

Gulahck, July 18, 1911.

ADMINISTRATOR-GENERAL of Customs and Treasurer-General.

Please refer to my telegram No. 253 of the 15th July.

I am informed by Belgian chargé d'affaires that he has informed Belgian Government that, though the relations existing between MM. Mornard and Shuster are at present satisfactory, he would be glad to be authorised to warn the Persian Government that his Government will recall the Belgian Customs officials if the forms of their appointment are disregarded.

[28252]

No. 108.

Sir G. Barclay to Sir Edward Grey.—(Received July 18.)

(No. 260.)

(Telegraphic.) Decode.

Tehran, July 18, 1911.

NEWS just received here ex-Shah has landed at Gumeshtepe near Astrabad with several followers.

[27788]

No. 109.

Sir Edward Grey to Sir G. Buchanan.

(No. 349.)

(Telegraphic.) P.

Foreign Office, July 18, 1911.

TREASURER-GENERAL.

Information contained in telegram No. 253 of the 15th instant from Tehran should be communicated to Russian Government. In doing so you should say that, in the opinion of His Majesty's Government, by far the best solution would be for the treasurer-general and customs administrator to settle the question between themselves, and for the two legations not to interfere. You should also say that His Majesty's Government agree with M. Poklewski that it would be best to postpone action.

[28098]

No. 110.

Sir Edward Grey to Sir G. Buchanan.

(No. 355.)

(Telegraphic.) R.

Foreign Office, July 18, 1911.

SIR G. BARCLAY'S telegram No. 256 [of 17th July].

Ex-Shah left Persia under British and Russian protection, and we both recognised the new Shah. I do not see how we or Russia can acquiesce in return of ex-Shah. You should ask Russian Government whether they will notify ex-Shah that under no circumstances can his return be allowed, a notification in which we will gladly join.

(Repeated to Tehran, No. 210.)

[27549]

No. 111.

Sir Edward Grey to Sir G. Buchanan.

(No. 195. Secret.)

Sir,

Foreign Office, July 18, 1911.

WITH reference to my despatch No. 129 of the 10th May, relative to the proposed Trans-Persian Railway, I have to inform your Excellency that M. Homiakoff, accompanied by M. Bark, of the Volga-Kama Bank, and M. Gukassoff, called at this Office on the 11th instant, and were received by Sir A. Nicolson.

M. Homiakoff, who had reached London on the previous night, stated that he had come to negotiate with a British group formed for the purpose of putting the project into execution. He had as yet seen no financiers, but intended to visit Lord Revelstoke (at the instance of the Russian Minister of Finance), Mr. Tritton (of Messrs. Barclay and Company), and Mr. Huth Jackson. He understood that there would be difficulty in interesting British financiers in the scheme if the line were to follow the *tracé* laid down by His Majesty's Government, as it would be too long and too costly.

Sir A. Nicolson informed M. Homiakoff that the question had been carefully studied by several departments here and by the Government of India, and that it was the line as laid down as the result of these enquiries to which His Majesty's Government were prepared to give their approval. If, after consultation with the financiers, he or they had any observations to make, His Majesty's Government would be ready to receive such observations, but he doubted whether any modification of these views already expressed would be obtained, and, in any case, the various departments concerned and the Government of India would have again to be consulted, which would take a considerable time.

M. Homiakoff said that he hoped to see Sir A. Nicolson again after having visited financiers here.

I am, &c.

E. GREY.

[27165]

No. 112.

Foreign Office to Messrs. H. C. Dixon and Co.

Sir,

Foreign Office, July 18, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 10th instant, relative to your claims against the Persian Government on account of robberies of your goods, and to inform you that copy of it will be forwarded to His Majesty's Minister at Tehran for such action, if any, as he may think it, in your interests, advisable to take to press the Persian Government for an immediate settlement.

As regards the state of the roads, referred to in the second paragraph of your letter, I am to state that Sir E. Grey has as yet received no reports of the nature therein described.

I am, &c.

LOUIS MALLET.

[28359]

No. 113.

Mr. Huth Jackson to Sir A. Nicolson.—(Received July 19.)

Dear Sir Arthur,

12, Tokenhouse Yard, July 18, 1911.

M. P. L. BARK, Managing Director of the Volga Kama Commercial Bank, and M. A. O. Goukassow asked me to give them another interview, and I have seen them this afternoon.

They told me that they had seen Lord Revelstoke, and had also sent you a memorandum upon the Persian Railway scheme at your request. They particularly wished to have my views as to the possibility of forming a London group prepared to join with Russian and French groups in examining the whole project, and sharing in the cost of this examination—which is estimated at 120,000*l.*

In my reply I began by reminding them of what I had said on a previous occasion—and what I believe that you had also told them—that I was not a financier, and that, therefore, neither I nor my firm would participate in the scheme. They replied that they fully understood this.

I then went on to say that, looking at the matter as a business proposition, it would in my opinion be impossible to form any such financial group in London as was suggested, unless—

1. The actual route for the railway had been approved both by the Russian and the British and Indian Governments—which was I understood at present not the case.

2. Unless there were satisfactory and sufficient guarantees forthcoming, which would enable the necessary funds to build the railway to be raised later on.

They then asked me whether I thought the British or Indian Governments would be willing to give any guarantees. I replied that I thought it extremely unlikely that the British Government would, under any circumstances, give a guarantee; while, even if the Indian Government were to entertain the idea, they would be sure to limit their guarantee to capital spent on that portion of the railway which passed through Indian territory. I was careful to add that the opinion I was giving was only a personal one, and was not to be considered as applying to anyone else but myself. The interview then ended.

I am afraid these Russian gentlemen are disappointed at the little encouragement they have received here.

Believe me, &c.

FRED. HUTH JACKSON.

[28374]

No. 114.

Sir G. Barclay to Sir Edward Grey.—(Received July 19.)

(No. 261.)

(Telegraphic.) P

Gulahek, July 19, 1911.

RETURN of ex-Shah.

In continuation of my telegram No. 260 of the 18th July, I have the honour to report that the Bakhtiari Ikhani, Samsam-es-Sultaneh, has been nominated Minister of War, and announced his intention to summon immediately a large reinforcement of Bakhtiari for operations against Mehemet Ali Mirza at a meeting summoned yesterday by Nasr-ul-Mulk. It is at present proposed not to offer any resistance to Mehemet Ali Mirza until he advances into the Khar district, some 80 miles east of Tehran.

When informing me of this, Nasr-ul-Mulk stated confidentially that he was uncertain as to the extent to which the Sipahdar and his Minister of War were to be relied upon to oppose Mehemet Ali Mirza.

His Highness also remarked that the entire province of Mazanderan was, he believed, in favour of the invader.

[28381]

No. 115.

Sir G. Barclay to Sir Edward Grey.—(Received July 19.)

(No. 262.)

(Telegraphic.) R.

Tehran, July 19, 1911.

SHIRAZ.

There has been desultory firing during last few days between Governor-General's men and the rebels, with few casualties and no definite results.

[28382]

No. 116.

Sir G. Barclay to Sir Edward Grey.—(Received July 19.)

(No. 263.)

(Telegraphic.) P.

BAKHTIARI road.

In continuation of my telegram No. 249 of the 13th July.

Another serious robbery on this road is reported by His Majesty's consul-general Ispahan.

All traffic on the road is now practically stopped.

Gulahek, July 19, 1911.

[28378]

No. 117.

Sir G. Buchanan to Sir Edward Grey.—(Received July 19.)

(No. 157.)

(Telegraphic.) P.

PERSIA: Schuster-Mornard dispute.

M. Nératof, to whom I spoke this afternoon in the sense of your telegram No. 349 of yesterday, agrees that it would be best to postpone any action for the moment. He said that, whatever arrangement the Treasurer-General and the Administrator of Customs might come to, it must be communicated to Great Britain and Russia. He has instructed M. Poklewski to watch events, so as to see that nothing may be done which would be in any way prejudicial to Russian interests. He is of opinion that instructions might be sent to Poklewski and Sir G. Barclay to report should a favourable opportunity occur for the friendly intervention of the two Governments.

St. Petersburg, July 19, 1911.

[28379]

No. 118.

Sir G. Buchanan to Sir Edward Grey.—(Received July 19.)

(No. 158.)

(Telegraphic.) P.

EX-SHAH'S return to Persia.

Please see your telegram No. 355 of the 18th instant.

The Acting Minister for Foreign Affairs informed me this afternoon that a telegram had been received from the Russian consul at Astrabad, reporting that it was rumoured that Mohamed Ali had landed at Gumish Tepe accompanied by a few followers; he was said to be collecting certain tribes, and to be then contemplating a march on Astrabad. M. Nératof had no idea how Mohamed Ali had managed to reach Gumish Tepe.

I reminded his Excellency of the fact that certain individuals had been recently arrested at Baku, and subsequently allowed to proceed to Persia, and I suggested that possibly the ex-Shah had been one of these. M. Nératof rejoined that he had caused enquiries to be made regarding the above-mentioned individuals; it seemed, however, that there had been no recent suspicious arrivals at Baku.

After informing M. Nératof of the notification which you had proposed should be made to the ex-Shah by the two Governments, I asked his views as to the action we should take if the news of ex-Shah's movements were correct. His Excellency replied that if Mohamed Ali were still in Europe he would willingly join His Majesty's Government in making the proposed notification, but as Mohamed Ali would not pay any attention to our warning if he had really returned to Persia, it would be useless for us to place ourselves in communication with him. His Majesty would have burnt his boats; he would have to go on to the bitter end. We should not be justified in intervening directly in the present crisis, even though we had recognised the present Shah.

It was clear to me from M. Nératof's manner of speaking that he thinks we can do nothing except watch developments, and consult together on the situation when necessary.

[28252]

No. 119.

Sir Edward Grey to Sir G. Buchanan.

(No. 358.)

(Telegraphic.) R.

Foreign Office, July 19, 1911.

SIR G. BARCLAY'S telegram No. 260 of 18th July.

Inform Russian Government that in view of ex-Shah's return we consider that his pension should be stopped, and that he should be informed that on no account will the two Governments recognise his return to the Throne, and that he cannot be allowed to remain permanently in Persia. Enquire whether the Russian Government agree to this communication. We consider that the present Shah and the Regent, whom both Governments have recognised, should remain in power.

(Sent to Tehran, No. 211.)

[25701]

No. 120.

Sir Edward Grey to Sir G. Buchanan.

(No. 192. Secret.)

Sir,

Foreign Office, July 19, 1911.

I HAVE received Mr. O'Beirne's despatch No. 181, Secret, of the 28th ultimo, relative to the proposed Trans-Persian Railway.

With regard to the suggestion contained in this despatch that His Majesty's Embassy should receive instructions to represent to the Russian Government the necessity of returning a reply to your Excellency's communication of the 15th May last, stating the conditions on which His Majesty's Government would be prepared to assent to the scheme in principle, I have to observe that His Majesty's Government are committed to the project only in the same degree as the Russian Government, and are entitled to make the same reserve as that formulated by the Russian Acting Minister for Foreign Affairs as reported in the penultimate paragraph of the despatch.

M. Nératof reserves to the Russian Government the right to make conditions, before agreeing to the actual execution of the project, while His Majesty's Government of course retain the right to make this agreement depend upon the fulfilment of the condition which they have already made, and must be free to revise their conditions should Russia make new conditions that alter the nature of the project.

M. Nératof proposes to await the completion of the task undertaken by the Société d'Études before proceeding to negotiation on questions of detail, and I do not consider it necessary that your Excellency should press the Russian Government for a reply to the communication referred to till the Société d'Études has made its report upon the general practicability of the scheme.

I am, &c.

E. GREY.

[26479]

No. 121.

Sir Edward Grey to Sir G. Barclay.

(No. 85.)

Sir,

Foreign Office, July 19, 1911.

WITH reference to previous correspondence relative to the proposal for the construction of a motor road from Bushire to Shiraz, I transmit to you herewith copy of the reply of the India Office* to the letter addressed to them by this department on the 2nd May last (see Confidential Print "Persia," the 2nd May, Section 1), together with copy of the answer which I have caused to be returned to this communication.

I should be glad to receive any observations which you may have to offer with regard to the subject of this correspondence.

I am, &c.

E. GREY.

* No. 30 and to India Office, July 6, 1911.

[28483]

No. 122.

Imperial Bank of Persia to Foreign Office.—(Received July 20.)

Sir,
 IN a telegram received yesterday from our chief manager in Tehran the hope is expressed that the Foreign Office will favour the appointment offered by the Treasurer-General to Major Stokes. Our manager adds that, in his opinion, the appointment would be greatly to the bank's interest.

I have, &c.
 G. NEWELL,
 Manager.

[28487]

No. 123.

Anglo-Persian Oil Company to Foreign Office.—(Received July 20.)

Sir,
 Winchester House, Old Broad Street, London,
 July 19, 1911.
 I HAVE the honour to enclose copy of a telegram which I have just received from our agent in Tehran re Persian Railway concession.

I have, &c.
 C. GREENWAY.

Enclosure in No. 123.

Mr. Brown to Mr. Greenway.

(Telegraphic.)
 RECENT expressed approval of railways syndicate(s) (in) their (his) opinion Persian Government could continue line to Hamadan. He suggested we should connect(s) (with) Ispahan with Khoramabad and/or Kerman or Shiraz. Treasurer-General states that southern customs already fully mortgaged, and inland revenue at present entirely worthless as a (an) security(ies); but as soon as he has put new organisation in order he will be able provide ample security(ies) for railway(s) construction, and will give his full support to our proposals.

[28518]

No. 124.

Note communicated by M. Sévastopoulo, July 20, 1911.

NOUS n'avons pas d'objections au choix de Karatchi comme terminus du Chemin de Fer indo-européen.

Mais nous sommes d'avis que pour l'entrée de la ligne dans la sphère anglaise il y aurait lieu de faire choix d'un point autre que Bender Abbas, tant à cause de l'allongement considérable que devrait subir la ligne pour passer par ce port, qu'à cause de l'accueil défavorable que ne manquerait pas de rencontrer cette voie auprès de nos cercles industriels et commerciaux; de plus, la voie de Bender Abbas présenterait le grave inconvénient de rapprocher la ligne projetée du rayon allemand du Chemin de Fer de Bagdad.

Nous réservons pour un examen ultérieur les autres points du memorandum anglais.

Ambassade Impériale de Russie, Londres,
 le 20 juillet, 1911.

[28384]

No. 125.

Sir G. Barclay to Sir Edward Grey.—(Received July 20.)

(No. 265.)
 (Telegraphic.) Decode. Tehran, July 20, 1911.
 TWO caravan robberies have been reported, 17th and 18th July, on Shiraz-Ispahan road. In one Ziegler's lost eighteen bales piece-goods

[28511]

No. 126.

Sir G. Barclay to Sir Edward Grey.—(Received July 20)

(No. 266.)
 (Telegraphic.) R. Tehran, July 20, 1911.
 SHIRAZ.

Acting consul reports more serious fighting Monday night and an abortive attack on Kawam's house. Rebels have asked acting consul to give them bast. With my approval he has declined.

Acting consul has urged moderation on Governor-General, who has replied that he is ready to give written assurances through consulate to all in rebellious quarter that if they disband their riflemen he would grant amnesty.

Acting consul thinks that it would be dangerous thus to engage consulate's responsibility, and with my approval is rejecting Governor-General's suggestion.

[28513]

No. 127.

Sir G. Barclay to Sir Edward Grey.—(Received July 20.)

(No. 267.)
 (Telegraphic.) R. Tehran, July 20, 1911.
 SIPAH-DAR'S new Cabinet presented to Medjliss yesterday.

Minister of Foreign Affairs unchanged. Cabinet contains three Ministers of pronounced nationalist views.

[28521]

No. 128.

Sir G. Buchanan to Sir Edward Grey.—(Received July 20.)

(No. 160.)
 (Telegraphic.) P. St. Petersburg, July 20, 1911.

EX-SHAH'S return to Persia.

Please see your telegram No. 358 of yesterday.

I have spoken to Acting Minister for Foreign Affairs as instructed. His Excellency, however, adheres to the views which he expressed yesterday (see my telegram No. 158).

His Excellency argues that having once taken the field the ex-Shah cannot draw back until he meets with victory or defeat; that it will be almost impossible for us not to recognise him if he is victorious and re-establishes himself on the throne; that, unless we are ready to send troops against him should he gain the upper hand, it is useless to tell him that he cannot be allowed to remain permanently in Persia; and that it is too late now to warn him that he will forfeit his pension, as the Medjliss will certainly discontinue it if His Majesty fails to regain his throne.

I said that I feared the Regent might throw up the sponge if we did not assure His Highness of our support, and I impressed on his Excellency the importance of our standing by him.

While admitting the Regent's many good qualities M. Nératof remarked that owing to the impossible elements with which he had to deal in the Medjliss he had been able to effect nothing. His Excellency said that we could not hold out any hope to the Regent of material support either in the form of money or troops. His Excellency is strongly opposed to our intervening in the internal affairs of Persia, and said that even were we to do so on this occasion we should have to do so again before long. His Excellency thought that there was nothing to be done but to await developments and watch events closely.

I remarked to His Excellency that to-day's edition of the "Novoe Vremya" had contained an article advocating intervention in the event of the lives of Russians being in danger. His Excellency replied that the question of sending Cossacks to protect the caravans on the main northern road had been seriously considered. A Russian officer had recently been killed as he was passing through a village near the frontier. In view of the altered situation, the idea of sending Cossacks had been abandoned, and the Russian consuls had been instructed to observe a perfectly neutral attitude. Were any injury done to Russian interests they were to hold the *de facto* authorities of the movement responsible.

[28525]

No. 129.

Sir F. Cartwright to Sir Edward Grey.—(Received July 20.)

(No. 80.)

(Telegraphic.) P.

EX-SHAH of Persia.

Vienna, July 20, 1911.

In accordance with the instructions contained in your telegram No. 73 of the 15th July, I have been trying, in conjunction with my Russian colleague, to ascertain the whereabouts of the ex-Shah. According to the papers he has returned to Persia, and such information as I have been able to obtain here tends to prove that he is not in Austria.

(Secret.)

Judging by the attitude of M. de Giers, and from a conversation which Mr. Russell had with one of the Russian secretaries, I am inclined to think that the Russian Embassy know that the ex-Shah has left the neighbourhood of Vienna, where he is said to have been staying. M. de Giers took the line that there need be no hurry in carrying out the instructions received from London and St. Petersburg, and asked me the other day to postpone taking any steps in the matter. He did not, however, explain his reasons for making this request.

[26479]

No. 130.

Foreign Office to India Office.

Sir,

Foreign Office, July 20, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 6th instant relative to the proposal for the construction of a motor road from Bushire to Shiraz.

I am to inform you in reply that, subject to any objections which may be raised by His Majesty's Minister at Tehran, who is being consulted on the subject by despatch, Sir E. Grey concurs generally in the views expressed by the Marquess of Crewe, and is disposed to consider that a survey of the road should be made in the autumn.

I am, &c.

LOUIS MALLET.

[27759]

No. 131.

Foreign Office to Messrs. Baring Brothers.

Gentlemen,

Foreign Office, July 20, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 13th instant relative to the question of financial guarantees for railway construction in Persia.

I am to inform you, in reply, that a copy of your letter has been forwarded to the India Office, with the request that the views of the Government of India may be obtained as to the feasibility of any steps on their part in the direction desired by you.

I am, &c.

A. NICOLSON.

[28641]

No. 132.

Anglo-Persian Oil Company to Foreign Office.—(Received July 21.)

(Confidential.)

Winchester House, Old Broad Street, London,

Sir,

July 20, 1911.

I BEG to enclose copy of a telegram which I have to-day received from our agent at Tehran, Mr. Brown, with reference to the proposed appointment of Major Stokes for the purpose of organising a force of gendarmerie.

I have, &c.

C. GREENWAY.

Enclosure in No. 132.

Telegram from Mr. Brown (Tehran) to Mr. Greenway (London).

July 20, 1911.

TREASURER-GENERAL estimates that total(s) inland revenue collected amounts to 19,000,000 tomans yearly, of which less than 3,000,000 reaches Central Treasury. Although he will place capable officers in all important centres for the collection of revenue, these would be helpless unless backed (by) properly organised force(s) of Treasury Guard; this force will be also employed to maintain order throughout country. Stokes has been selected to organise this force, and it is of the utmost importance his services should be lent by British Government. I telegraph you at the request of Treasurer-General. Appointment is not political, but based on qualification(s) of the man.

[28654]

No. 133.

Messrs. Ellinger and Co. to Foreign Office.—(Received July 21.)

Sir,

28, Oxford Street, Manchester, July 20, 1911.

WITH reference to pending questions regarding the Island of Hormuz, we have to-day received a letter from the Muin-ut-Tujjar, dated the 8th instant, enclosing copy of a telegram which he informs us was dispatched by the Persian Foreign Office to the Persian Minister in London, a copy of which we hand you herein.

We are, &c.

ELLINGER AND CO.

Enclosure in No. 133.

Persian Foreign Office to the Persian Minister in London.

(Telegraphic.)

MESSRS. STRICK AND CO. are responsible to settle pretensions of Messrs. Weir and Ellinger referring to oxide of Hormuz from Haji Muin-ut-Tujjar and Government. Let them know that, up to twenty days hence, if they do not fulfil their obligation they are responsible for all the losses.

[28678]

No. 134.

Sir G. Barclay to Sir Edward Grey.—(Received July 21.)

(No. 268.)

(Telegraphic.) R.

SHIRAZ.

Tehran, July 21, 1911.

Acting consul reports that Kashgai are plundering neighbouring villages with open encouragement from Governor-General.

I have authorised acting consul to inform Governor-General that if British intervention is rendered necessary by disorders, which I understand he is now openly encouraging, he will be held personally responsible.

[28679]

No. 135.

Sir G. Barclay to Sir Edward Grey.—(Received July 21.)

(No. 269.)

(Telegraphic.) R.

Tehran, July 21, 1911.

BAKHTIARI road.

In robbery reported in my telegram No. 263 of 19th July British goods have, I hear, suffered seriously.

I have addressed a strong note urging upon Persian Government necessity of restoring order on this road, which is all the more imperative now that there appears to be a recrudescence of robberies on Shiraz-Ispahan road.

[28680]

No. 136.

Sir G. Barclay to Sir Edward Grey.—(Received July 21.)

(No. 270.)

(Telegraphic.) R.

Tehran, July 21, 1911.

MEDJLIS on 19th July passed measure empowering Government to proclaim martial law in Tehran, where, Regent tells me, there are disorderly elements, for dealing with which extraordinary powers were necessary.

[28682]

No. 137.

Sir G. Barclay to Sir Edward Grey.—(Received July 21.)

(No. 271.)

(Telegraphic.) P.

Gulahek, July 21, 1911.

SITUATION at Shiraz.

It seems quite possible that Persian Government will desire to dismiss Nizam-es-Sultaneh from Governorship-General of Fars with a view to gaining over Bakhtiari at this critical moment.

If such a step is contemplated I would not propose to oppose it. Mr. Knox does not consider that the situation in Shiraz would be adversely affected by the removal of the Nizam. Furthermore, an increase of security might be looked for on the Bakhtiari road, since the restoration to the Bakhtiari of Behbahan, governor of which can control the Kuhgiluis, would presumably be a concomitant of Nizam's removal.

[28687]

No. 138.

Sir G. Barclay to Sir Edward Grey.—(Received July 21.)

(No. 272.)

(Telegraphic.) P.

Gulahek, July 21, 1911.

RETURN of ex-Shah.

I have the honour to report that the Minister for Foreign Affairs called on me to-day to beg me privately to urge you to exert your influence with the Russian Government to maintain the present régime in Persia. In reply, I informed his Excellency that correspondence was passing between His Majesty's Government and the Russian Government, and that I must observe a neutral attitude until I received instructions.

The prospect of Mehemet Ali Mirza's possible return to power is received in Russian circles with undisguised elation. It is felt there that the parliamentary régime is opposed to Russian influence, and the unparalleled disorders in the provinces are adduced as proof that it has failed. Should the Russian Government prove resolved not to oppose the restoration of the ex-Shah, it will doubtless principally be actuated by resentment at the determined disregard of Russian susceptibilities shown by the treasurer-general, which is bitterly felt by the Russian Minister. It seems to be generally believed that the return to power of the ex-Shah would develop into a régime controlled by Great Britain and Russia.

[28688]

No. 139.

Sir G. Barclay to Sir Edward Grey.—(Received July 21.)

(No. 273.)

(Telegraphic.) P.

Tehran, July 21, 1911.

MY telegram No. 252 of the 14th July: Treasury gendarmerie.

Shuster has written to me requesting that the reply as to the appointment of Stokes should be hastened. Quoting from the letter, he says:—

(R.) "Entire matter of Treasury gendarmerie is necessarily being held up pending settlement of this question, and I have no hesitation in saying that formation of this force is most urgent and vitally necessary to financial reorganisation of Persia. Without this gendarmerie I am practically helpless, and without Stokes I am at a loss where to turn for a man possessing anything like his qualifications."

[28689]

No. 140.

Sir G. Barclay to Sir Edward Grey.—(Received July 21.)

(No. 274.)

(Telegraphic.) P.

Gulahek, July 21, 1911.

SITUATION at Kermanshah.

I have received the following telegram from His Majesty's consul at Kermanshah:—

"Salar-ed-Dowleh has telegraphed to Amir Mamalek placing Kermanshah under his control, with instructions to protect foreigners and consulates, to maintain order, to see to the honourable conveyance to Tehran of the local authorities, and to procure provisions for 7,000 horse and 10,000 foot soldiers, a portion of whom are starting on the 19th July, and the rest on the 20th July, with Salar-ed-Dowleh. Amir-ul-Mamalek is acting in accordance with these orders.

"Several officials threatened by the crowd have arrived at the consulate. Arrangements for their safe departure are being made by Amir-ul-Mamalek.

"What attitude should I observe towards Salar-ed-Dowleh?"

Following is text of my reply:—

"Pending receipt of further instructions, you should only communicate with Salar-ed-Dowleh to the extent necessary for the protection of British lives and property in Kermanshah.

"Should communication with the Prince be unavoidable, you should give him clearly to understand that no official recognition is thereby implied.

"I should be glad of information as to your Turkish colleague's attitude."

[28369]

No. 141.

Sir Edward Grey to Sir G. Barclay.

(No. 213.)

(Telegraphic.) P.

Foreign Office, July 21, 1911.

GENDARMERIE command. See your telegram No. 252 of the 14th instant.

Before Major Stokes accepts command he will have to resign his commission in the Indian army.

You may tell Treasurer-General this.

[28175]

No. 142.

Sir Edward Grey to Sir G. Barclay.

(No. 214.)

(Telegraphic.) P.

Foreign Office, July 21, 1911.

WHAT likelihood is there of ratification of Arabistan Convention?

Reference is to your despatch No. 246 of last year.

[28762]

No. 143.

Sir G. Barclay to Sir Edward Grey.—(Received July 22.)

(No. 275.)

(Telegraphic.) P.

Gulahek, July 21, 1911.

ADMINISTRATOR-GENERAL of Customs and Treasurer-General.

In continuation of my telegram No. 259 of the 18th July, I have the honour to report that Belgian chargé d'affaires has been instructed to address a note to Persian Government in which they will be reminded that the terms of engagement of the Belgian customs officials imply that they should serve under the direct and exclusive orders of the Central Government in the person of the Minister of Finance and President of the Council, or Grand Vizier. If these engagements are disregarded, Belgian Government, note will add, will be forced to consider the recall of the Belgian customs officials from Persia.

Belgian chargé d'affaires is deferring the presentation of note in view of the present political crisis, and, as the conflict has not yet again become acute, Russian Minister and I have also agreed to postpone action.

The instructions received by M. Poklewski are to use his energetic support in favour of the *status quo*, that is to say, Administrator-General of Customs to be independent of the Treasurer-General, and to pay administration expenses and fixed charges himself as hitherto.

[28803]

No. 144.

Sir G. Barclay to Sir Edward Grey.—(Received July 22.)

(No. 276.)

(Telegraphic.) P.

Gulahek, July 21, 1911.

SHIRAZ situation.

His Majesty's acting consul at Shiraz telegraphs as follows, No. 221, dated the 21st July:—

"I am informed by the Karguzar that he has sure proof that the Governor-General has telegraphed to Soulet-ed-Dowleh pressing him to rebel against the Central Government and stir up general disturbances in Fars. Karguzar states that he has informed Minister for Foreign Affairs of this telegram.

"All telegraphic correspondence is in code, so I am unable to control this statement."

Mr. Knox also informs me that the Nizam declared publicly yesterday evening that he was resolved to kill Kawami's son, Intiram-ul-Mamalek, destroy Kawami's house, and loot Shiraz if Central Government dismissed him.

[28700]

No. 145.

Sir G. Barclay to Sir Edward Grey.—(Received July 22.)

(No. 277.)

(Telegraphic.) Decode.

Tehran, July 22, 1911.

MARTIAL law proclaimed Tehran to-day.

[28856]

No. 146.

Sir G. Barclay to Sir Edward Grey.—(Received July 22.)

(No. 278.)

(Telegraphic.) P.

Gulahek, July 22, 1911.

IN reply to your telegram No. 214 of the 21st July.

I believe that the Arabistan convention will stand a good chance of being accepted after the present crisis if the Treasurer-General continues in office, as he has great influence with the Medjliss.

Relations between Mr. Shuster and officiating director of Indo-European Department are good, and former has given Mr. King Wood to understand that if the convention is not given any political significance he will support it.

[28521]

No. 147.

Sir Edward Grey to Sir G. Buchanan.

(No. 371.)

(Telegraphic.) P.

Foreign Office, July 22, 1911.

RETURN of Mahomet Ali to Persia.

In some degree Russia has rendered herself responsible for preventing the ex-Shah from giving trouble, and we, by our co-operation with Russia, share this responsibility. I agree, however, that intervention by force is inadvisable. It ought, however, to be put very clearly to the ex-Shah that we do not regard his movement with favour. The movement in support of him must have been organised on Russian territory.

[29417]

No. 148.

Sir Edward Grey to Sir G. Barclay.

(No. 89.)

Sir,

Foreign Office, July 22, 1911.

THE Persian Minister called this morning, and read to Sir A. Nicolson the draft of a protest which he was instructed to make with regard to the return of the ex-Shah.

Sir A. Nicolson told Mehdi Khan that if he would kindly send in the protest a reply would be given to him.

The Minister then asked whether His Majesty's Government would be disposed to intervene morally by informing the ex-Shah and Salar-ed-Dowleh that they would not be recognised, even should they succeed. Such "moral" disapproval would have a great effect in discouraging both those perturbers of the peace.

Sir A. Nicolson told Mehdi Khan that he would, of course, report his suggestion to me, but that personally he considered that such messages from His Majesty's Government would have little effect; that they could not be given without the concurrence of the Russian Government, and that they would, in fact, constitute intervention. He need not, he said, assure the Minister that His Majesty's Government deeply deplored the prospect of renewed civil strife in Persia, and that they had sincerely desired that the Regent should have been able to continue the excellent work in which he was engaged undisturbed and in peace. Either the movement, which His Majesty's Government could not view with favour, would fail, owing to lack of popular support, or it would succeed, being backed by popular feeling. In all revolutions Great Britain always abstained from any interference so long as British lives and interests were not in imminent danger. She had done so recently in Persia, and Sir A. Nicolson imagined she would do so now. This was his personal opinion, and he would report what had been said to me.

I am, &c.

E. GREY.

[28865]

No. 149.

Sir G. Barclay to Sir Edward Grey.—(Received July 23.)

(No. 279.)

(Telegraphic.) R.

Tehran, July 23, 1911.

PERSIAN Government has addressed long identic notes to the two legations on the return of the ex-Shah.

Note reminds me of the Persian Government's complaints respecting His Majesty's intrigues (see my despatch No. 185 of last year and my telegram No. 246 of 12th July), complains that I took no steps to comply with the Persian Government's request that Sardar Arshad might be stopped at Baku from entering Persia, and attributes the ex Shah's return to my indifference to the Persian Government's representations. Article 11 of the protocol and the friendly relations of the two Powers entitled the Persian Government to expect that His Majesty's Government would take the necessary steps to prevent His Majesty and his agents from fomenting agitation in the country, recent proceedings of Salar-ed-Dowleh and of Mojalah-es-Sultan culminating in His Majesty's return.

Note draws special attention to the explicit Russian promise in article 11 of the protocol, and announces that that article and article 10 will be executed as regards

[1505]

2 B

treatment of basti and His Majesty's pension. Note declines responsibility for damages consequent on His Majesty's return from Russia on a Russian ship, and says that the Persian Government are taking the most energetic and effective steps to suppress disorders, which [two groups undecypherable] intervention by His Majesty's Government would have rendered impossible, and they are confident of success.

In conclusion, the Persian Government expresses confidence that in the exceptional circumstances His Majesty's Government will lend them the necessary moral support to stop agitation in Persia caused by the adventurous ex-Shah and the filibusterers with him.

Greater part of the note concerns the Russian Government exclusively, and the Minister for Foreign Affairs has spontaneously admitted this to me, adding apologetically that he had felt compelled to send it to me as I was a party to the protocol; I am therefore not disposed to send any reply. Russian Minister sees that identic reply would be very difficult, and is therefore suggesting to his Government that he should himself leave the note unanswered. If we have occasion to make a joint declaration as to our attitude in the present crisis it might serve the purpose of an answer.

[28866]

No. 150.

Sir G. Barclay to Sir Edward Grey.—(Received July 23.)

(No. 280.)

(Telegraphic.) P.

Gulahck, July 23, 1911.

TREASURY gendarmerie.

I have conveyed substance of your telegram No. 213 of the 21st July to Major Stokes and to Mr. Shuster. Former is fully determined to resign his commission in the Indian army, provided that satisfactory amendments with regard to pension are introduced into the contract which the Medjliss has already voted.

The object of the desired amendments is to secure for Major Stokes the pension to which he would be entitled in two years if he remained in the Indian army. Approval of Medjliss is necessary.

I understand that the Cabinet, fearing that counter-demands from Russia may be provoked by the appointment, is hesitating to comply with Treasurer-General's demand and to ask Medjliss to approve the necessary amendments.

I have been asked privately by Minister for Foreign Affairs for an assurance that such counter-demands will not be made by Russian Government. I have replied that I am unable to give him such an assurance.

[28864]

No. 151.

Sir G. Buchanan to Sir Edward Grey.—(Received July 23.)

(No. 163.)

(Telegraphic.) P.

St. Petersburg, July 23, 1911.

RETURN of ex-Shah to Persia.

(R.) Insinuations made in the Austrian and German papers, and repeated in certain sections of the British press, that the Russian Government have connived at the return of the ex-Shah are strongly resented here. The semi-official "Rossia" records His Majesty's movements since October last, and states that he left Odessa early in June, with the intention of proceeding to Carlsbad. It adds that he evidently travelled through Russia with a false passport, and that his sudden appearance in Persia came as a complete surprise to the Russian Government. (End of R.)

In my opinion no responsibility attaches to the Central Government, though the local authorities may be blamed for not having prevented him passing through the port of Baku. The Acting Minister for Foreign Affairs considers that eventually we will have to intervene actively if we give any assurances of support to the present Persian Government, but I am convinced that his Excellency has acted perfectly straightforwardly throughout.

[28878]

No. 152.

Mr. Marling to Sir Edward Grey.—(Received July 24.)

(No. 494.)

Sir,

Constantinople, July 15, 1911.

WITH reference to my telegram No. 168 of the 14th July, I have the honour to forward herewith copy of the identic communication made at the Porte on the 13th July by the Russian Ambassador and myself on the subject of escorts for the British and Russian agents on their tour through the Turco-Persian frontier regions.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 152.

Identic Note.

EN se référant à sa communication en date du 29 juin, le chargé d'affaires de Sa Majesté britannique a l'honneur de porter à la connaissance de son Excellence le Ministre ottoman des Affaires Étrangères que l'agent anglais, Mr. Shipley, ayant quitté Ourmiah pour continuer son voyage, le Gouvernement de Sa Majesté britannique aime à croire que l'escorte ottomane promise pourra se joindre à celle dudit agent là où ce sera nécessaire.

Le 13 juillet, 1911.

[29101]

No. 153.

Anglo-Persian Oil Company to Foreign Office.—(Received July 24.)

Winchester House, Old Broad Street,
London, July 21, 1911.

Dear Mr. Maxwell,

I AM in receipt of your letter of the 14th instant, enclosing an extract from a despatch from His Majesty's consul at Ahwaz relative to certain rumours current in Persia as to the intention of the Anglo-Persian Oil Company with regard to the disposal of the oil produced by the Bakhtiari Oil Company and the First Exploitation Companies.

I need hardly say that these rumours are quite without foundation, and as the circulation of such malicious reports is exceedingly detrimental to the interest of our company, I shall be much obliged if Lieutenant Ranking be requested to let it be known that they are absolutely unfounded.

The companies in question were, as I think you are aware, formed to "work oil in the Bakhtiari country" in accordance with the terms of the agreement with the khans, and as the oil produced by them cannot obviously, for commercial reasons, be refined in that country, these companies must (like 99 out of 100 of the oil companies in other parts of the world), sell their oil in its crude state to whoever will buy it.

To enable these companies to get the best prices possible for their crude, the Anglo-Persian Oil Company are, at great cost, laying a pipe-line from the Bakhtiari country to the coast, and are erecting a refinery on the coast; and when the time comes for fixing the price which the Anglo-Persian Oil Company are to pay the other companies for their crude, that price will, of course, be fixed at a fair rate, based upon the prices ruling for crude in other parts of the world.

If the oil obtained by the companies is abundant in quantity, as we have every reason to suppose it will be, the price paid by the Anglo-Persian Oil Company to the producing companies should give the latter a very satisfactory profit, and it is obviously to the interests of the company that the Shah and the khans, who are shareholders in these companies, should receive as good an interest as possible on their shares.

Yours sincerely,

C. GREENWAY.

[29103]

No. 154.

*Anglo-Persian Oil Company to Foreign Office.—(Received July 24.)**Winchester House, Old Broad Street, London,
July 22, 1911.*

Dear Mr. Mallet,

I BEG to acknowledge receipt of your letter of the 11th instant, containing Sir Edward Grey's comments upon the draft telegram to Mr. David Brown which I forwarded to you on the 15th ultimo.

The various alterations suggested by Sir Edward have, as you will have seen from the copy I have sent you of the memorandum handed to his Highness Prince Ala-es-Sultaneh, all been adopted.

No reference was made in that memorandum to the gauge, but I have instructed Mr. Brown to leave this question open, as in the general opinion a 2 ft. 6 in. gauge will not suffice for the requirements of the country, and either the metre or 3 ft. 6 in. gauge be necessary.

I have been approached by M. Goukasow, a member of the Russian syndicate for the Trans-Persian Railway, with a view to securing the co-operation of our group, and when you can spare me a few minutes I shall be glad to have an interview with you for the purpose of discussing M. Goukasow's proposals.

Yours truly,
C. GREENWAY.

[28967]

No. 155.

Sir G. Barclay to Sir Edward Grey.—(Received July 24.)

(No. 281.)

(Telegraphic.) P.

RETURN of ex-Shah.

Gulahek, July 24, 1911.

It is evident from reports received from His Majesty's consuls that in a number of the bigger towns there exists a decided feeling in favour of Mahomet Ali Mirza. Such feeling seems to be more due to dispondency at the failure of the present régime to preserve order than to any faith in the ex-Shah. It is hard as yet to estimate the power of the revolutionary movement in Tehran.

Several people have been arrested.

[29138]

No. 156.

Sir G. Barclay to Sir Edward Grey.—(Received July 24.)

(No. 282.)

(Telegraphic.) Decode.

PRIME Minister has resigned.

Tehran, July 24, 1911.

[29139]

No. 157.

Sir G. Barclay to Sir Edward Grey.—(Received July 24.)

(No. 283.)

(Telegraphic.) Decode.

Tehran, July 24, 1911.

ACTING consul Shiraz reports that desultory firing continues. Number of killed is said to be thirty-six on side of Governor-General. Kashgais are arriving in increasing numbers, and continuing devastation in neighbourhood. They appear to be out of hand; some forced entry into garden Zieglers' manager yesterday. Acting consul is sending with my authorisation strong warning to Soulet.

[28215]

No. 158.

Sir A. Nicolson to India Office.

Sir,

Foreign Office, July 24, 1911.

WITH reference to Mr. Mallet's letter of the 11th instant, relative to schemes of railway construction in Persia, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a letter from the managing director of the Anglo-Persian Oil Company,* enclosing a memorandum relative to the projects of the Persian railways syndicate in this connection, which has been handed to the Persian special representative at the Coronation and the Persian Minister at this court.

The Marquess of Crewe will observe that the syndicate propose eventually to extend three of the suggested lines to points within, or on the border of, the Russian sphere of influence.

So far as Sir Edward Grey is aware, these proposals are now made for the first time, and he is disposed, if Lord Crewe concurs, to point out to Mr. Greenway that, while His Majesty's Government understand that there is no intention of applying to the Russian Government for concessions in respect of these extensions at present, they could not authorise such an application by a British group at any time without the previous consent of the Russian Government.

I am, &c.
A. NICOLSON.

[29263]

No. 159.

*Anglo-Persian Oil Company to Foreign Office.—(Received July 25.)**Winchester House, Old Broad Street, London,
July 24, 1911.*

Dear Mr. Maxwell,

I BEG to acknowledge receipt of your letter of the 14th instant, covering a despatch from Sir George Barclay, and a long and interesting report from Lieutenant Ranking, on the subject of the agreement which has been recently concluded between my company and the Bakhtiari khans for the acquisition of the surface rights of certain lands within the territory of the latter.

My directors request me to express their extreme thanks to Lieutenant Ranking for the able assistance which he afforded in the carrying out of these difficult negotiations. The price which was paid for the land was, in their opinion, far in excess of its real current value for agricultural purposes, and much more than they anticipated having to pay, but in the circumstances they feel that the arrangement arrived at was the best that was practicable, and that Lieutenant Ranking deserves warm commendation for the successful way in which he conducted the negotiations.

I have no doubt that our agents in Persia are taking the necessary steps for the erection of boundary pillars, but in case the point has been overlooked I am instructing them to do so at once.

Yours sincerely,
C. GREENWAY.

[29241]

No. 160.

*Anglo-Persian Oil Company to Foreign Office.—(Received July 25.)**Winchester House, Old Broad Street,
London, July 24, 1911.*

Sir,

I BEG to enclose copy of a letter which I have to-day addressed to his Excellency Sadigh-es-Sultaneh, the "oil commissioner" appointed by the Persian Government, and shall be obliged if you can see your way to asking His Majesty's Minister at Tehran to support our demand for the removal of the present Karguzar from Mohammerah.

I am, &c.
C. GREENWAY,
Managing Director.

Enclosure in No. 160.

Mr. Greenway to Sadigh-es-Sultaneh.

Winchester House, Old Broad Street,
London, July 24, 1911.

Your Excellency,

IT has come to my knowledge that his Excellency the Karguzar now stationed at Mohammerah is conveying a number of false and misleading reports in connection with my company's operations to the central Government at Tehran, e.g. :-

1. The temporary placing of some empty barrels on the Harmashir River while we were laying the pipe line under the river to keep the pipes in position while being screwed, was reported to the central Government as the "building of a bridge."

2. The wearing of numbered brass badges (to distinguish one from the other) by the dozen or so Kurds who act as day watchman and peons at Abbadan was reported to the central Government as the placing of a number of men "in uniform," thus suggesting that they were being employed as soldiers.

3. A number of misleading reports have been made as to our use of flags, e.g., it was reported that two flags which were placed on the bank of the river near Fao by a steamer which was engaged in buoying the river were placed there by us.

As the communication of such incorrect and misleading information to your Government causes a good deal of trouble and annoyance to both them and us, I shall be obliged if you will request your Government to remove this official from Mohammerah at the earliest possible date.

I have, &c.

C. GREENWAY,

Managing Director.

[29302]

No. 161.

Sir G. Barclay to Sir Edward Grey.—(Received July 25.)

(No. 284.)

(Telegraphic.) P.

Gulahek, July 25, 1911.

RETURN of ex-Shah.

Please refer to Sir G. Buchanan's telegram No. 163, dated the 7th May.

I am unaware to what degree His Majesty's Government are prepared to press Persian Government to extend their moral support to the present régime in Persia, but I would submit that a course likely to provoke the least resistance might be to propose to Russia that the two Governments should ask the Persian Government to continue Mahomet Ali Mirza's pension if he returns to Odessa immediately. Strong joint representations might be made at Astrabad by telegraph or other means if and when we should obtain an engagement on these lines from the Persian Government.

This form of support would not entail active intervention, and were it to prove successful Persian Government would not be burdened with the maintenance of the ex-Shah.

[29303]

No. 162.

Sir G. Barclay to Sir Edward Grey.—(Received July 25.)

(No. 285.)

(Telegraphic.) P.

Gulahek, July 25, 1911.

FROM what I can learn I believe the feeling in Tehran to be strongly opposed to Mahomet Ali Mirza.

I am disposed to explain resignation of the Sipahdar more than anything else by the fact that he knew that there was a widespread feeling of indignation against him on account of his inaction, if not obstruction, in connection with the preparations for resisting His Majesty.

He has not been in Tehran for many days, but has resided on the precincts of the Russian Legation village Zerguendeh.

[29237]

No. 163.

Sir G. Buchanan to Sir Edward Grey.—(Received July 25.)

(No. 164.)

(Telegraphic.) P.

St. Petersburg, July 24, 1911.

RETURN of the ex-Shah.

Your telegram No. 371 of the 22nd instant.

I saw Acting Minister for Foreign Affairs this afternoon, and informed him that you agreed with him that intervention by force was inadvisable, but that you considered that England and Russia had taken upon themselves a certain amount of responsibility towards the present Government, and I called his Excellency's attention to Russia's engagements entered into in the protocol of the 25th August, 1909. You thought that it was necessary, therefore, that the two Governments should leave no doubt that the ex-Shah's attempt to recover the crown did not meet with their approval. I suggested that an assurance to the Persian Government of our moral support and full sympathy would accomplish our object.

M. Nératof declared that an attitude of strict non-intervention was the most he could do. At the time of the ex-Shah's deposition the Russian Government had been attacked by public opinion on the ground that they had adopted an attitude of non-intervention, thereby sacrificing Russian interests to those of England. They had adopted this attitude from a desire to meet the wishes of His Majesty's Government and to preserve Anglo-Russian solidarity. The hostility felt against the Anglo-Russian *entente* would gain strength if they now sided with the present Government in Persia, and they would incur still severer censure.

In supporting a Government which had been established with their help, the Imperial Government, as I pointed out to M. Nératof, would only be giving continuity to their policy. I said that I was afraid that telegrams in the British newspapers, from their Tehran correspondents, indicated that there was an impression there that Mohammed Ali's journey through Russia could only have been accomplished with the connivance of the Russian Government, and apparently Russian circles at Tehran were jubilant at the prospect of his restoration. To contradict these erroneous impressions was, in my opinion, of the utmost importance.

M. Nératof declared himself at a loss to explain how the ex-Shah had succeeded in travelling through Russia. He admitted that it was not impossible that certain Russians in the Persian capital had been talking imprudently. The instructions to the Russian consuls in Persia, the adoption of an attitude of strict non-intervention, and the communiqué which had appeared in the "Rossia," showed clearly, however, that the Imperial Government were in no way concerned with Mohammed Ali's return. He said that he had doubts about His Majesty ever reaching Tehran, and were he to do so it would probably not be long before he was assassinated. He told me that I might assure you that he was no partisan of Mohammed Ali. He would much prefer that the present régime should continue; but to show it any sympathy publicly would indirectly have an unfavourable effect on the Anglo-Russian *entente*, as it would arouse Russian public opinion.

[29443]

No. 164.

Sir G. Barclay to Sir Edward Grey.—(Received July 26.)

(No. 286.)

(Telegraphic.) P.

Gulahek, July 26, 1911.

SITUATION in Kermanshah.

In continuation of my telegram No. 274 of the 21st July.

Following telegram dated the 24th July, received from His Majesty's Consul at Kermanshah :-

"Acting and deputy governors have received telegraphic orders from Salar-ed-Dowleh to continue in their duties. Police to be in the charge of Amia-ul-Mamelek.

"Contingents from every tribe are joining Daood Khan to support prince. Kallhor chief is himself encamped a mile from Kermanshah."

[29442]

No. 165.

Sir G. Barclay to Sir Edward Grey.—(Received July 26.)

(No. 287.)

(Telegraphic.) Decode.

Tehran, July 26, 1911.

SAMSAM-ES-SULTANEH has been appointed Prime Minister, and presented his Cabinet to Medjliss this morning. Ministry composed mostly of Democrats. Minister for Foreign Affairs is Wossuk-ed-Dowleh.

[29302]

No. 166.

Sir Edward Grey to Sir G. Barclay.

(No. 216.)

(Telegraphic.) P.

Foreign Office, July 26, 1911.

EX-SHAH movement.

I am glad to have the suggestion made in your telegram No. 284 of the 25th July, but an attempt to buy off ex-Shah would presumably fail as long as he has any hope of himself or his party succeeding, and, in view of what Russian Government have said, they will evidently not join in any intervention at present.

[29485]

No. 167.

Sir Edward Grey to Sir G. Barclay.

(No. 217.)

(Telegraphic.) P.

Foreign Office, July 26, 1911.

A SUGGESTION has been made by the Russian Government that British and Russian Governments should inform the Persian Government that the British (Russian) Government recognise that ex-Shah has forfeited his right to pension assigned to him by protocol, as he has returned to Persia contrary to engagements entered into by him with Persian Government, and contrary to the advice which the British (Russian) Governments have repeatedly given him, to the effect that he should abstain from any intrigue in Persia. But on the other hand, as soon as ex-Shah put foot on Persian territory, the relations between him and Persian Government assumed, in the opinion of the British (Russian) Government, the character of an internal Persian affair in which intervention on the part of the British (Russian) Government is impossible. The British (Russian) Government therefore declare they will observe an attitude of strict neutrality in the struggle which has unhappily occurred in Persia.

Would our acceptance of the above declaration in your opinion be desirable? Would it help the Persian Government or would it increase their difficulties?

[30212]

No. 168.

Sir Edward Grey to Sir G. Buchanan.

(No. 210.)

Sir,

Foreign Office, July 26, 1911.

I TOLD Count Benckendorff to-day that we could not interfere with the appointment of Major Stokes in Persia, though we should insist that, if he entered the service of the Persian Government, he resigned his commission in our army.

Count Benckendorff pressed me to do more, and to intimate to the Persian Government or to Mr. Shuster the undesirability of making the appointment.

I said that we could not do this. Mr. Shuster was acting without any political motive; he was apparently a very good, businesslike man, and he might throw up his post if we interfered, and declare that the British Government had made the regeneration of Persia impossible.

I told Count Benckendorff, however, that inasmuch as Major Stokes when appointed would superintend certain things in Persian territory even on the Russian frontier, we could not raise any objection if Russia intimated to the Persian Government, should Major Stokes be appointed, that Russia also must secure some appointment which would ensure that her interests in the region of her frontier were not overlooked.

I am, &c.

E. GREY.

[28518]

No. 169.

Foreign Office to India Office.

Sir,

Foreign Office, July 26, 1911.

W TH reference to your letter of the 6th April last, relative to the proposed Trans-Persian Railway, I am directed by Secretary Sir Edward Grey to transmit to you herewith copies of correspondence on the subject,* from which it will be observed that both the Russian promoters of the scheme and the Russian Government object to the alignment adopted by His Majesty's Government for the portion of the line within the British sphere of influence in Persia, and that both those promoters and Messrs. Baring Brothers and Co. (Limited) have also broached the question of a Government guarantee of the line.

I am to request that the views of the Government of India may be obtained on these two points, and that the Marquess of Crewe will also favour Sir E. Grey with his observations on the subject.

I am, &c.

LOUIS MALLET.

[27711]

No. 170.

Foreign Office to Board of Trade.

Sir,

Foreign Office, July 26, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 14th instant, relative to the scheme proposed by Messrs. Ellinger and Co. for the reconciliation of their interests and those of Messrs. Andrew Weir and Co. with those of Messrs. Frank C. Strick and Co. in connection with the shipment of red oxide from Hormuz.

I am to transmit to you herewith draft of a letter which it is proposed to address to Messrs. Strick, submitting this scheme to their favourable consideration, and to state that Sir E. Grey would be glad to receive any observations which the Board of Trade may wish to offer with regard to it, and to consider any suggestions which they may think fit to make for a modification of its terms.

I am, &c.

W. LANGLEY.

[29103]

No. 171.

Foreign Office to Anglo-Persian Oil Company.

Dear Mr. Greenway,

Foreign Office, July 26, 1911.

IN the absence of Mr. Mallet, who will be away till the end of the present month, I answer your letter to him of the 22nd July on the subject of railways in Persia.

I note the alterations introduced into your instructions to Mr. Brown, as shown in the memorandum handed by you to Ala-es-Sultaneh and Mehdi Khan.

Mr. Mallet will, no doubt, be happy to receive you on his return, and in the meanwhile you may like to know that this Office has also been in correspondence with M. Gukassow, who is acting on behalf of the Russian promoters of the Trans-Persian railway scheme.

The Russian group are anxious that the alignment decided on by His Majesty's Government should be changed, and have broached the question of a Government guarantee for the railway, and M. Gukassow has been told that these questions have been referred to the India Office in order that the views of the Government of India may be obtained. It was added that the proposed alignment was adopted only after careful consideration by the Government of India and all the departments interested, and that any suggestion for the substitution of a different one would have to be submitted to examination by all the same authorities.

Yours sincerely,

R. P. MAXWELL.

[1505]

* Nos. 83, 104, 113, 124, 131, 173, 175, and 176.

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[27711]

No. 172.

Foreign Office to Messrs. Ellinger and Co

Gentlemen,

Foreign Office, July 26, 1911.

WITH reference to your letter of the 15th ultimo and subsequent verbal communications on the subject of the shipment of red oxide from Hormuz island, I am directed by Secretary Sir Edward Grey to inform you that this department has been in correspondence with the Board of Trade with regard to the proposals which you have made for the reconciliation of your interests and those of Messrs. Andrew Weir and Co. with those of Messrs. Frank C. Strick and Co. in this matter.

As a result of this correspondence, Sir E. Grey will cause a letter to be addressed to Messrs. Strick recommending your scheme to their favourable consideration.

Until the result of this step is known, it is clear that no further action need be taken at Tehran in connection with the presentation of your and Messrs. Weir's claims under this head and, should Messrs. Strick accept your suggestions, the communication which will eventually have to be made to the Persian Government will have to be radically modified.

In the meanwhile, Sir E. Grey takes note of the fact that the amount of the claims in question is reckoned only up to the 31st October last and not up to the end of last year.

I am to add that, in accordance with your wish, His Majesty's Minister at Tehran will in no case mention to the Persian Government, at the present stage, the rate at which any claim put forward should bear interest till paid, and that Sir E. Grey is of opinion, after further consultation with the Board of Trade, that the rate to be demanded, if such a demand should eventually be necessary, should be 10 per cent. and not 5 per cent. as previously suggested.

I am, &c.

LOUIS MALLET.

[28518]

No. 173.

Sir Edward Grey to Russian Embassy.

HIS Majesty's Principal Secretary of State for Foreign Affairs has had the honour to receive the communication left at this Office by the First Secretary of the Russian Embassy on the 20th instant, proposing a change in the alignment adopted by His Majesty's Government for the projected Trans-Persian Railway.

Sir E. Grey has the honour to inform M. Sévastopoulo, in reply, that the proposed alignment was decided on only after careful consideration of the question by the Government of India and all the interested departments of His Majesty's Government, and that the whole matter will have to be re-examined by the same authorities before an answer can be returned to the proposal of the Russian Government.

Foreign Office, July 26, 1911.

[27354]

No. 174.

Foreign Office to Mr. C. Greenway.

Sir,

Foreign Office, July 26, 1911.

WITH reference to previous correspondence and conversations which have taken place at this Office relative to the appointment of a British consular officer at Kasr-i-Shirin, I am directed by Secretary Sir Edward Grey to inform you that he will appoint Mr. Soane unpaid vice-consul at that place.

I am to add however that, in view of the disturbed condition of Kasr-i-Shirin and the neighbourhood, Sir E. Grey can only consent to make this appointment on the understanding that it does not involve any additional responsibility for the safety of Mr. Soane on the part of His Majesty's Government.

Sir E. Grey would be obliged if you would furnish him with Mr. Soane's full Christian name.

I am, &c.

LOUIS MALLET.

[28359]

No. 175.

Sir A. Nicolson to Mr. Huth Jackson.

Dear Mr. Huth Jackson,

Foreign Office, July 26, 1911.

I AM much obliged to you for your letter of the 18th July, giving particulars of your recent interview with Messrs. Bark and Goukassow about the Trans-Persian Railway.

I have received the memorandum of which these gentlemen spoke to you, and it will be sent to the India Office for reference to the Government of India.

Yours sincerely,

A. NICOLSON.

[28227]

No. 176.

Sir A. Nicolson to M. Goukassow.

Sir,

Foreign Office, July 26, 1911.

I HAVE to acknowledge the receipt of your letter of the 17th instant, enclosing a memorandum respecting the projected Trans-Persian Railway and copies of a paper relative to the probable preliminary expenses of its construction.

As regards the chief points raised in the memorandum, viz. (1) the proposed change in the alignment of the railway and (2) the suggestion of a Government guarantee, I beg leave to inform you that reference has been made to the India Office, with the request that the views of the Government of India on these questions may be ascertained.

With regard to the former question, the alignment proposed by His Majesty's Government was only decided on after careful consideration by the Government of India and by all the departments interested, and any suggestion for the substitution of a different one would have to be submitted to examination by all the same authorities.

I am to add that a letter has been addressed to M. Homiakoff direct on the subject, and that your wishes as to the address of future communications will be complied with.

I am, &c.

A. NICOLSON.

[29463]

No. 177.

Sir G. Barclay to Sir Edward Grey.—(Received July 27.)

(No. 122.)

Sir,

Gulahck, July 15, 1911.

I HAVE the honour to report that at the sitting of the Medjliss on the 29th June the reports of the Finance Committee and the Committee of Foreign Affairs on the proposal of the Ministry of Commerce to engage five foreign officials for the Ministries of Posts and Telegraphs were read. The Ministry of Commerce had proposed that Belgians should be engaged, but the Foreign Affairs Committee recommended the engagement of Swiss.

The duties of the four officials are to be as follows:—

An administrator of telegraphs at 14,000 fr. a-year.	
An inspector of posts and telegraphs	} At 9,000 fr. a year each.
A chief mechanician	
A postmaster-general for the south	
A postmaster-general for Azerbaijan	

In view of the decision of the Foreign Affairs Committee that the officials should be engaged from Switzerland instead of from Belgium, the Ministry of Commerce withdrew the project for further consideration.

Mr. King-Wood, whom I have consulted on the subject, tells me that Mr. Molitor, the Belgian Director of Posts, is anxious to convert the Posts and Telegraphs into a

purely Belgian concern like the Customs, and that the Medjliss evidently want to avoid this. Mr. King-Wood is watching events, and will be ready to offer the services of a man of his own if occasion presents itself. I have sounded my Russian colleague and he sees no objection.

I have, &c.
G. BARCLAY.

[29928]

No. 178.

Sir G. Buchanan to Sir Edward Grey.—(Received July 31.)

(No. 205. Secret.)

Sir,

St. Petersburg, July 14, 1911.

HAVING failed to find the Acting Minister for Foreign Affairs at home on the receipt of your telegram No. 335 of the 13th instant, I at once addressed an urgent private letter to his Excellency reminding him of the categorical assurances which M. Sazonow had given me with regard to the meaning of the term "Bagdad Railway," and urging on him the necessity of explaining clearly to the German Ambassador that under article 3 of the draft agreement Russia was taking no engagement which could in any way hamper her liberty of action as regarded the proposed 4 per cent. increase in the Turkish customs.

On calling on his Excellency by appointment this afternoon, I was informed by M. Nératof that he had just handed the amended text of the agreement to the German Ambassador. In doing so he had called Count Pourtales's attention to the words "sacrifices pécuniaires et économiques," and had explained to him quite clearly that Russia was taking no engagement whatsoever on the question of the 4 per cent. customs increase. He had further informed his Excellency that he reserved to himself the right to attach to the term "Bagdad Railway" the interpretation which Russia had placed on it, namely, the railway as far as Bagdad. This, he had said, was to the best of his belief the sense in which M. Sazonow had always interpreted it during the Potsdam conversations, and he would therefore have to assure himself of what had really been in M. Sazonow's *pensée* with regard to it before the moment came for attaching his signature to the agreement.

I had so often in previous conversations pressed M. Nératof respecting these two points without obtaining any definite promise from him, that I was agreeably surprised to find that he had held this language to the German Ambassador. I do not, however, think that there is any likelihood of Germany consenting to sign the agreement if Russia merely engages not to oppose the construction of the railway as far as Bagdad. Such an engagement would not under present circumstances be of the slightest value to Germany, and if therefore M. Nératof insists on adhering to his interpretation of the term "Bagdad Railway" the negotiations are almost certain to break down. In spite of the categorical assurances which M. Sazonow repeatedly gave me that the conversations at Potsdam had only dealt with the Konieh-Bagdad line, his Excellency must, I think, have been entrapped into saying something which gave Germany good grounds for asserting that he had undertaken to withdraw Russia's opposition to the whole railway down to the Gulf. When, after the publication of the draft agreement in the "Evening Times," M. Sazonow informed me that it would in consequence be necessary to remodel the entire draft, I observed that such a revision of the text would afford him the desired opportunity of modifying the term "Bagdad Railway" so as to render the meaning perfectly clear. He, however, at once replied that this was impossible, as Germany would never consent to it. It is therefore very doubtful whether M. Nératof will be more successful in overcoming Germany's opposition to such a change in the text.

The question thus arises whether M. Nératof is prepared to risk a rupture of the negotiations in order to carry this point. I hardly think so, though he might be prepared to go to greater lengths than M. Sazonow if he has really a free hand in the matter, and for two reasons:—

In the first place, he has not the same pressing reasons for wishing to bring the negotiations to a successful termination. He was not responsible for initiating the Potsdam conversations, nor for the preans raised by the Russian press when M. Sazonow returned from Berlin with the fruits of what he imagined was a great diplomatic success. With M. Sazonow the signature of the agreement in some form or another

was a question of *amour-propre*, as his reputation as a diplomatist was at stake. This is not the case with M. Nératof.

In the second place, I have noticed since I returned to St. Petersburg that M. Nératof speaks of the eventual termination of the negotiations with a tone of perfect indifference. He does not seem to care if they are indefinitely prolonged or if they are brought to a speedy conclusion, and I cannot help feeling that the manner in which Germany has intervened in the Moroccan question, despite the arrangement with France in 1909, has been an object lesson to him. The value of an understanding with Germany has, I think, much depreciated in his eyes. His language to me, though reserved, leaves but little doubt as to what he thinks of the methods of German diplomacy. In speaking to me yesterday of the negotiations at present proceeding between France and Germany, his Excellency remarked that the Agadir incident would probably be closed by Germany receiving compensation somewhere else than in Morocco. He added, however, that he entirely failed to see any justification for Germany's claim to compensation.

I have, &c.
GEORGE W. BUCHANAN.

[29456]

No. 179.

Sir G. Buchanan to Sir Edward Grey.—(Received July 27.)

(No. 211.)

Sir,

St. Petersburg, July 24, 1911.

I HAVE the honour to state that the semi-official "Rossia" of the 22nd instant published a leading article on events in Persia, of which the following is a summary:—

Much has appeared of late, both in Russian and foreign papers, with reference to the sudden entry into Persia of the ex-Shah, who since 1909 has resided, with the sanction of the Russian Government, in Odessa. Information obtained from a reliable source shows that the ex-Shah resided continuously in Odessa up to the end of October 1910, when he went abroad for a cure. He returned to Odessa on the 6th (19th) April of the present year, and, after a short stay, left on the 28th May (10th June), accompanied by his wife and children and two or three persons of his suite, with the intention of proceeding to Carlsbad. Of his further movements the Russian Government has received no information from any source, and his sudden appearance in Persia came as a complete surprise to the Imperial Government.

It is evident that His Majesty travelled through Russia incognito, and under a false passport. During his residence at Odessa and abroad there were repeated rumours of intrigues which he was alleged to be conducting in Persia, and the Persian Government notified the Russian Ministry for Foreign Affairs to this effect, without, however, producing any real evidence of the truth of the rumours in question. Nevertheless, the Russian Government repeatedly and most seriously drew the attention of Mohammed Ali to the necessity of abstaining from any kind of agitation; and quite recently, in view of the disorders which have arisen in Persia and the discovery of a movement in favour of the ex-Shah, it was intended, in agreement with the British Government, once more to warn His Majesty against taking part in a struggle with the present Persian Government. The proposed step could not, however, be carried out owing to the unexpected departure of Mohammed Ali from Vienna.

The "Novoe Vremya" of yesterday's date also refers in a leading article to what it describes as the "policy of scandal" pursued by the foreign press in connection with the sudden reappearance of the ex-Shah in Persia. This event, the "Novoe Vremya" remarks, is of interest to the European press chiefly in so far as it affords the possibility of friction between Russian and British public opinion. Every day's post brings fresh fabrications and insinuations of every conceivable kind against Russia, and in this campaign the English yellow press is striving to outdo the German and Austrian papers. No notice would be taken of such calumnies if these attempts to fan into flame the still smouldering embers of English mistrust of Russia had not met with partial success, since even the London "Times" had printed matter from its Tehran correspondent alleging Russia's connivance in the latest development of Persian history. Had these absurd statements appeared in any other paper except the "Times" they would have been beneath notice, but there is a certain section of Persian politicians which from time immemorial has made it its chief aim to sow distrust and

[1505]

2 E

promote rivalry between Russia and England, and the Tehran representative of a great English paper has now converted himself and the "Times" into the tool of those Persian elements, for which unity of action between Russian and British diplomacy is the greatest of evils. A certain portion of the European and even of the Russian press seizes on every means for the destruction of Anglo-Russian harmony in Persian affairs with an eagerness which is astonishing.

I have, &c.
GEORGE W. BUCHANAN.

[29478]

No. 180.

India Office to Foreign Office.—(Received July 27.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of the Marquess of Crewe, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 26th July, regarding the movements of the ex-Shah of Persia.

India Office, July 26, 1911.

Enclosure in No. 180.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. July 26, 1911.

MOVEMENTS of ex-Shah.

Since the telegram from His Majesty's Minister at Tehran, dated 18th instant, announcing the landing of the ex-Shah at Gumesht Tepe, I have received no information. Could the Minister be instructed to keep me informed on the subject?

[29576]

No. 181.

Sir G. Barclay to Sir Edward Grey.—(Received July 27.)

(No. 288.)

(Telegraphic.) R. Tehran, July 27, 1911.

NEWS has reached the Persian Government that a Turkoman force, adherents of the ex-Shah, has looted Shahrud.

His Majesty is at Astrabad, which my Russian colleague tells me has submitted to him.

[29712]

No. 182.

Treasury to Foreign Office.—(Received July 28.)

Sir, *Treasury Chambers, July 27, 1911.*
I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Langley's letter of the 14th instant, and the enclosed copy of a letter from the India Office relative to the reorganisation of the Indian Political Department.

Secretary Sir Edward Grey states that the additional sum which Imperial funds will be called upon to contribute under the scheme in respect of certain posts in Persia held by Indian officers will be trifling in amount, and I am to request you to inform him that, in these circumstances, my Lords assent to his proposal to sanction the charge to Imperial funds of the expenditure involved.

I am, &c.
T. L. HEATH.

[29478]

No. 181*.

Sir Edward Grey to Sir G. Barclay.

(No. 218.)

(Telegraphic.) P. *Foreign Office, July 27, 1911.*
GOVERNMENT of India wish to be informed of any developments that may occur regarding the movements of the ex-Shah of Persia.

[29665]

No. 183.

India Office to Foreign Office.—(Received July 28.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of the Marquess of Crewe, forwards herewith, for the information of the Secretary of State, copy of enclosures in a letter from the Foreign Secretary to the Government of India dated the 29th June, 1911, relative to the Russian land concession on the Karun.

India Office, July 27, 1911.

Enclosure 1 in No. 183.

Lieutenant-Colonel Cox to the Government of India.

(Confidential.)

Bushire, June 10, 1911.

WITH reference to the correspondence ending with Foreign Department endorsement, dated the 11th April, I have the honour to submit, for the information of the Government of India, copies of two communications received from His Majesty's representatives at Mohammerah and Ahwaz, showing the present position, as far as it can be ascertained, in regard to the Taraverdieff concession.

Enclosure 2 in No. 183.

*Captain Haworth to Lieutenant-Colonel Cox.**Mohammerah, May 20, 1911.*

I HAVE the honour to acknowledge the receipt of your letter, dated the 7th May, requesting me to obtain some definite statement from Sir Khazal Khan on the subject of his position with regard to the Russian concessionnaire of Hussainabad and the Nizam-es-Sultaneh.

When visiting the sheikh at Idrisieh I raised the question: the pourparlers which were taking place with the Nizam-es-Sultaneh have come to nothing as yet, at any rate.

Mirza Ali, the Nizam's agent, is awaiting Haji Rais at Nasiri and, after the interview, I will address you again. The Sardar Assad, being Minister of the Interior, will, as Haji Rais remarked, complicate the question.

If the sheikh is unable to make some arrangement with the Nizam-es-Sultaneh the only thing likely to hinder the concessionnaire is the unruliness of the tribes, but the preliminary to any railway will be the pacification of the country; thus it appears to me that the desire of the concessionnaire to obtain British capital, if true, should not be lost sight of by any syndicate who might be intending to take up the railway concession. I have not yet mentioned this idea to anyone.

Enclosure 3 in No. 183.

Captain Grey to Lieutenant-Colonel Cox.

(Confidential.)

Ahwaz, May 23, 1911.

IN continuation of the correspondence ending with this Office letter, dated the 1st May, 1911, on the subject of the lease of Hussainabad lands to Russian subjects, I have the honour to report some further information which I have obtained on this subject.

The agent, Mirza Ali, who arrived in Nasiri lately with his family and servants from Mohammerah, had an interview with Sheikh Khazal on the 20th instant, during which he requested the latter to give him a signed guarantee for the safety of himself and his party, and a letter to Sheikh Hyder of the El Kathir ordering him to afford him protection and assistance. He made a request also for a sum of money with which to construct fortified buildings on the Hussainabad lands, the money to be deducted from the yearly rent paid to the Nizam-es-Sultaneh by Sheikh Khazal, who at present holds the lands on lease.

Sheikh Khazal told Mirza Ali to talk matters over with his agent, Haji Rais-ut-Tujjar, but said that in no case could he accept responsibility for Mirza Ali's safety.

The matter was then discussed between Haji Rais-ut-Tujjar and Mirza Ali, but nothing definite was settled. Haji Rais merely promised to consult Sheikh Khazal and let Mirza Ali know the result in the course of the next few days.

I learn that Sheikh Khazal has written to-day to the Nizam-es-Sultaneh that he cannot let Mirza Ali proceed to Hussainabad until the present occupants and cultivators of the land with their chief—Sheikh Hyder—have been ejected.

Mirza Ali has been informed of the dispatch of this letter, and has been asked to stay in Nasiri until a reply is received, Sheikh Khazal meanwhile undertaking to pay his personal expenses.

It would be very difficult, if not impossible, for Sheikh Khazal to eject Sheikh Hyder and the cultivators from the lands without compensation and the provision of land for them elsewhere, and it is most unlikely that the El Kathir would remain and work under the concession-holder or his agent without trouble.

Sheikh Khazal's present policy appears to be to afford no help to the concessionnaire, and so discourage him that he will be brought to realise the serious difficulties that there are in his way, and be induced to give up the project as impracticable.

[29695]

No. 184.

Messrs. Ellinger and Co. to Foreign Office.—(Received July 28.)

Sir,

28, Oxford Street, Manchester, July 27, 1911.

WE are desirous of sending to the Muin-ut-Tujjar copies of our correspondence with yourself regarding the Hormuz question, and we shall be glad to have your consent to our sending him copies of the following letters which have passed between us:—

Our letter to you dated the 28th November, 1910.

Letter from Mr. Maxwell dated the 29th November, 1910.

Our letter to you dated the 9th December, 1910.

Your letter to us dated the 15th December, 1910, signed by Mr. Mallet.

Our letter to you dated the 5th January, 1911.

Letter from Mr. Mallet dated the 23rd January, 1911.

Our letter to you dated the 26th January, 1911.

Our letter to you dated the 24th February, 1911.

Your letter to us dated the 7th March, 1911, signed by Mr. Langley.

Our letter to you dated the 31st March, 1911.

We are, &c.

ELLINGER AND CO.

[29698]

No. 185.

Sir G. Barclay to Sir Edward Grey.—(Received July 28.)

(No. 289.)

(Telegraphic.) P.

Gulahak, July 28, 1911.

RETURN of ex-Shah.

I have the honour to offer the following observations in reply to your telegram No. 217 of the 26th July.

To make the joint declaration as proposed would be tantamount to rejecting Persian Government's appeal to Great Britain and Russia (please refer to my telegram No. 279 of the 23rd July) and virtually to recognise belligerency of Mohammad Ali Mirza. It does not therefore appear to me that it would help the central Government at the present moment. In time, however, they would probably benefit by it, as it should serve to restrain over-zealous Russian agents, who in the absence of any such declaration might consider their hands untrammelled.

For the two Powers, one of whom has engaged to take effective steps not to allow any intrigues on the part of the ex-Shah, the logical course would be to avoid the use of any phrase which could be interpreted as a recognition of his belligerency, so soon at least after he has quitted Russian asylum, simply stating that neither material nor moral support will be afforded him. On the other hand, if we cannot hope to persuade

[29766]

No. 186*.

Sir G. Barclay to Sir Edward Grey.—(Received July 28.)

(No. 291.)

(Telegraphic.) P.

Tehran, July 28, 1911.

ANGLO-PERSIAN Oil Company.

Please refer to my telegram No. 225 of the 26th June on subject of Oil Company's wells at Kasr. A report has been received from Wilson stating that, with concurrence of agent, he deemed it inadvisable to visit Kerim Khan, and he considers latter's deposition only remedy.

I will forward Wilson's report by bag, with comments on your despatch No. 75.

Meanwhile, when Central Government has regained its authority in outlying provinces I will do all that it is possible to secure removal of Kerim Khan.

the Russian Government to take this view of the matter, proposed declaration had better be made as a *pis aller*.

If the Medjliss votes Major Stokes's appointment, the Persian Government might order him to take active service against the ex-Shah. When Russian Government proposed so explicit a declaration of strict neutrality they were doubtless contemplating this contingency. I am unaware to what extent the joint declaration as proposed would enable or force us to hinder Major Stokes from proceeding to the front. Whether we made declaration or not, a protest against Stokes's fighting would probably be raised by the Russian Government, who, I understand, have declared that the Russian Cossack Brigade officers and other Russian subjects in Persia shall remain passive in the conflict.

• [29749]

No. 186.

Sir G. Barclay to Sir Edward Grey.—(Received July 28.)

(No. 290.)

(Telegraphic.) P.

Gulahek, July 28, 1911.

I HAVE received following telegram No. 25, dated the 26th July, from His Majesty's consul-general at Meshed :—

"Rioting has occurred here overtly directed against Government departments, but in reality in support of Mohammad Ali Mirza.

"On all sides I am informed that the disturbances are being instigated by Russian consul-general, and it appears that he is financing leader and has promised him protection. Local authorities tell me that they are powerless in the face of Prince Dabija's action.

"Sympathies of the town are in favour of ex-Shah."

M. Poklewski, whom I informed of the above, has promised to remind Prince Dabija that he must maintain an entirely neutral attitude.

[29768]

No. 187.

Sir G. Barclay to Sir Edward Grey.—(Received July 28.)

(No. 292.)

(Telegraphic.) P.

Gulahek, July 28, 1911.

EX-SHAH'S return to Persia.

His Majesty's consul-general at Meshed telegraphs as follows. No. 26 of the 27th July :—

"I am secretly informed that Mohammad Ali Mirza has captured Shahrud with 400 Turkomans. A large force is being dispatched via this town to Tehran while ex-Shah himself is marching into Mazanderan.

"The head of telegraphs, of the troops, and of the shrine, as well as the Governor of Meshed and the Chief of Bujnurd, have received telegrams from Mohammad Ali Mirza proclaiming pardon for all past offences, but threatening severe punishment for resistance in the future. Ex-Shah at the same time pledges himself to maintain Parliament and to create a House of Lords. By order of Minister of Telegraphs telegrams have been suppressed.

"Government of India informed."

[29774]

No. 188.

Sir G. Barclay to Sir Edward Grey.—(Received July 28.)

(No. 293.)

(Telegraphic.) R.

Tehran, July 28, 1911.

PERSIAN Government has written to two legations complaining that local authorities in Russia have refused application of Persian agent at Askabad to detain two of ex-Shah's emissaries, whom, as reported in my telegrams Nos. 246 of 12th July and 256 of 17th July, the Baku authorities have allowed to go free, and who had arrived at Askabad on the way to Persia.

[29778]

No. 189.

Sir G. Barclay to Sir Edward Grey.—(Received July 28.)

(No. 294.)

(Telegraphic.) R.

Tehran, July 28, 1911.

FOLLOWING from acting consul at Tabreez:—

"Reshid-ul-Mulk, ex-Governor-General of Ardebil, was arrested on charge of conspiring with Shahsevens to restore ex-Shah to throne. Trial began yesterday, but Russian consul-general sent a company of Russian soldiers, who surrounded court and demanded immediate release of accused. He was surrendered, and carried off to Russian consul-general's."

Minister for Foreign Affairs, in bringing to my notice this morning a number of grievances against Russia, cited this incident especially as showing manner in which Russian consuls are interpreting instructions given them by Russian Minister to observe strictly neutral attitude.

Russian Minister tells me that Reshid-ul-Mulk was formerly in bast at Russian consulate at Ardebil, and that when Russian Minister had heard he was arrested he had demanded that Reshid-ul-Mulk should not be punished without a fair trial. Consul-general had heard that he was about to be summarily hanged. He therefore made, as consul describes it, "a small military demonstration, which passed off without incident."

[29698]

No. 190.

Sir Edward Grey to Sir G. Barclay.

(No. 219.)

(Telegraphic.) R.

Foreign Office, July 28, 1911.

YOUR telegram No. 289.

Major Stokes should be given clearly to understand that he must resign his commission in the army before taking service or duties of any kind under the Persian Government. How are his proposed services under Treasurer-General compatible with his taking the field in a military capacity? It might also be pointed out to Persian Government that if Stokes is employed by them in active military operations in Persia it may provide excuse for Russian officers taking active part on other side.

[29698]

No. 191.

Sir Edward Grey to Sir G. Barclay.

(No. 220.)

(Telegraphic.) P.

Foreign Office, July 28, 1911.

EX-SHAH'S return.

Following amended text of draft declaration has been handed by me to Count Benckendorff:—

(R.) "As ex-Shah has returned to Persia contrary to engagements undertaken by him to Persian Government and contrary to advice given to him repeatedly by British and Russian Governments to abstain from any intrigue in Persia, the British Government recognise that ex-Shah has forfeited his right to pension assigned to him by protocol. On the other hand, the British Government consider that ex-Shah being in Persian territory the British Government cannot intervene. In consequence, the British Government declares that in the struggle that has unhappily occurred in Persia it will take no part whatever." (End of R.)

I have eliminated the word "neutrality" in order to avoid the suggestion that the ex-Shah's state of belligerency was recognized. If your Russian colleague makes this declaration on behalf of Russian Government you may do so on behalf of His Majesty's Government.

[30228]

No. 192.

Sir Edward Grey to Sir G. Buchanan.

(No. 206.)

Sir,

Foreign Office, July 28, 1911.

COUNT BENCKENDORFF spoke to me to-day with great anxiety about the possibility that Major Stokes might take part in military operations in Persia. If this happened, Russian officers might take part on the other side, and the result would be to give the appearance of a most unfortunate breach between England and Russia in their policy with regard to Persia.

I told him of the telegram which I was sending to Sir George Barclay to-day. I gathered that Major Stokes had not yet actually received an appointment. I agreed that it was undesirable that he should take part in any military operations in Persia, or that any European officers should do so. But the officers who were in command of Persian gendarmerie would no doubt take part in operations against the robbers on the southern roads, and it was a little difficult to know where to draw the line. I would, however, see what I could do.

I am, &c.

E. GREY.

[28641]

No. 193.

*Foreign Office to Anglo-Persian Oil Company.**

Sir,

Foreign Office, July 28, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 20th instant, relative to the proposed appointment of Major Stokes to organise a force of gendarmerie to assist in the collection of the revenue in Persia.

I am to inform you, in reply, that His Majesty's Government will not oppose this appointment should the officer in question desire to accept it, on the condition that he resigns the commission which he now holds in the Indian army.

I am, &c.

LOUIS MALLET.

[29101]

No. 194.

Foreign Office to Mr. Greenway.

Dear Mr. Greenway,

Foreign Office, July 28, 1911.

IN the absence of Mr. Maxwell, who has gone for a holiday, I beg to acknowledge the receipt of your letter of the 21st July relative to the rumours current in Arabistan as to the alleged intentions of the Anglo-Persian Oil Company regarding the disposal of the oil produced by the Bakhtiari Oil and First Exploration Companies.

Sir G. Barclay will be asked to explain to Lieutenant Ranking the true state of the case, and to instruct him to give the most explicit denial to these reports whenever and from whatever source they may reach him.

I am, &c.

H. C. NORMAN.

[29855]

No. 195.

Messrs. Ellinger and Co. to Foreign Office.—(Received July 29.)

Sir,

28, Oxford Street, Manchester, July 28, 1911.

WITH reference to your letter of the 26th instant on the subject of red oxide of iron from Hormuz Island, we note that the Foreign Office has been in correspondence with the Board of Trade with regard to the proposals which we made for the reconciliation of our interests and those of Messrs. Andrew Weir and Co. with those of

* Also to Imperial Bank of Persia, *mutatis mutandis*.

Messrs. Frank C. Strick and Co. (Limited) in this matter, and that you are causing a letter to be addressed to Messrs. F. C. Strick and Co., recommending this scheme to their favourable consideration.

We further note that, in your opinion, no further action need be taken at Tehran in connection with the presentation of our and Messrs. Andrew Weir and Co.'s claims under this head, but it appears to us that unless Messrs. Strick and Co. agree immediately to some such arrangement as we have indicated, our interests and those of Messrs. Andrew Weir and Co. will be very seriously prejudiced by any delay on the part of His Majesty's Government in taking action on the lines indicated by us in our letter of the 15th ultimo.

We are, &c.
ELLINGER AND CO.

[29892]

No. 196.

Sir G. Barclay to Sir Edward Grey.—(Received July 29.)

(No. 295.)

(Telegraphic.) R.

Tehran, July 29, 1911.

ACTING consul at Shiraz reports that on 27th July sowar consulate escort in uniform while returning from bank was deliberately fired at by a Kashgai rifleman 100 yards distant. Shot narrowly missed him.

I have addressed note to Persian Government urging that Kashgai be held under control.

[29895]

No. 197.

Sir G. Barclay to Sir Edward Grey.—(Received July 29.)

(No. 296.)

(Telegraphic.) R.

Tehran, July 29, 1911.

PERSIAN frontier.

Delegates, who are now at Soujboulak, report that Turkish consul has received instructions to allow British and Russian escorts to accompany them, and to send also a Turkish escort where thought desirable. Consul is sending frontier authorities directions accordingly, and delegates hope therefore to complete tour without further delay.

[29896]

No. 198.

Sir G. Barclay to Sir Edward Grey.—(Received July 29.)

(No. 297.)

(Telegraphic.) P.

Gulahck, July 29, 1911.

KERMANSHAH situation.

In continuation of my telegram No. 274 of the 21st instant, I have the honour to report that Prince Salar-ed-Dowleh left Senneh on the 24th instant for Kermanshah. His Majesty's consul at latter town telegraphs that Daood Khan, chief of the Kalhors tribe, has thrown in his lot with the Prince.

Officials mentioned in my above-mentioned telegram still remain at His Majesty's consulate. Other officials have been expelled from Kermanshah.

[29893]

No. 199.

Sir G. Barclay to Sir Edward Grey.—(Received July 29.)

(No. 298.)

(Telegraphic.) Decode.

Tehran, July 29, 1911.

MY telegram No. 290 of 28th July.

Following received from consul-general and agent to Governor-General in Khorassan, No. 27:—

"Serious riot; large body in shrine demand abolition all Government departments and to return to old system. Shooting intermittently. Few killed and wounded.
"India informed."

[30211]

No. 200.

Sir Edward Grey to Sir G. Buchanan.

(No. 212.)

Sir,

Foreign Office, July 29, 1911.

THE Russian Ambassador asked Sir A. Nicolson on the 25th instant whether Major Stokes's appointment had been finally settled.

Sir A. Nicolson replied that he did not know, but that His Majesty's Government had informed Major Stokes that he would have to resign his commission in the army if he accepted the appointment.

Count Benckendorff said that M. Nératof hoped that His Majesty's Government would go a step further and tell the Persian Government that they had nothing to do with the appointment, and that, if the Russian Government asked for some appointment to counterbalance that of Major Stokes, we would support their requests. M. Nératof thought that perhaps two or three Russian "instructors" might be appointed under Major Stokes if necessary.

Count Benckendorff said the Russians must obtain some compensation for an Englishman being appointed as head of the gendarmerie over the whole of Persia, the Russian sphere included.

I am, &c.
E. GREY.

[30657]

No. 201.

Sir G. Barclay to Sir Edward Grey.—(Received July 30.)

(No. 299.)

(Telegraphic.) R.

Tehran, July 30, 1911.

MEDJLISS yesterday voted, with only thirteen abstentions, that a price of 100,000 tomans should be put upon head of ex-Shah.

25,000 tomans is also to be offered for head of Salar-ed-Dowleh, and also for that of Shoah-es-Sultaneh, another of ex-Shah's brothers, who is with His Majesty.

[29917]

No. 202.

Sir G. Barclay to Sir Edward Grey.—(Received July 30.)

(No. 300.)

(Telegraphic.) R.

Tehran, July 30, 1911.

YOUR telegram No. 219 of 28th July.

Major Stokes has decided to resign his position in the Indian army, and hopes that in view of Treasurer-General's urgent need of his services you will see your way to ask authorities concerned to dispense with usual formalities and to inform him by telegraph of the acceptance of his resignation.

He also asks that in view of his sixteen years' service he may be granted such reduced pension or gratuity as his services may be considered to deserve, but, whatever may be decision on this point, he begs that there may be no delay in telegraphing acceptance of his resignation.

[29937]

No. 203.

Sir G. Barclay to Sir Edward Grey.—(Received July 31.)

(No. 112.)

Sir,

Gulahck, July 6, 1911.

WITH reference to previous correspondence respecting the tour of inspection of the British and Russian delegates in the Turco-Persian frontier districts, I have the honour to report that the Minister for Foreign Affairs sent a member of the Foreign Office to the Russian Minister and to me to represent that the action of the two delegates in leaving the joint escort behind and proceeding under Turkish escort might prejudice Persian rights in the districts concerned.

[1505]

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In reply to this communication, both my Russian colleague and I replied that the two Ambassadors at Constantinople had made reserves on this point, which had been accepted by the Porte.

I have, &c.
G. BARCLAY.

[29938]

No. 204.

Sir G. Barclay to Sir Edward Grey.—(Received July 31.)

(No. 113.)

Sir,

Gulahek, July 7, 1911.

WITH reference to my despatch No. 71 of the 16th May, respecting the lease of Husseinabad lands to a Russian subject, I have the honour to transmit copy of a despatch from His Majesty's consul at Ahwaz, from which it appears that Sheikh Khazal's present attitude is in no way to help Abbas Agha Tarvardieff, but, on the contrary, to discourage him so that he may realise the serious difficulties that there are in his way and be induced to abandon the scheme as impracticable.

I have, &c.
G. BARCLAY.

P.S. *July 12.*—His Majesty's consul at Ahwaz reports in a despatch received to-day that the pourparlers, which were taking place with the Nizam (see my despatch No. 71), have so far come to nothing.

G. B.

Enclosure in No. 204.

Consul Grey to Consul-General Cox.

(No. 79.)

Ahwaz, May 23, 1911.

IN continuation of the correspondence ending with this office letter dated the 1st May, 1911, on the subject of the lease of Husseinabad lands to Russian subjects, I have the honour to report some further information which I have obtained on this subject.

The agent, Mirza Ali, who arrived in Nasiri lately with his family and servants from Mohammerah, had an interview with Sheikh Khazal on the 20th instant, during which he requested the latter to give him a signed guarantee for the safety of himself and his party and a letter to Sheikh Hyder, of the El Kathir, ordering him to afford his protection and assistance. He made a request also for a sum of money with which to construct fortified buildings on the Husseinabad lands, the money to be deducted from the yearly rent paid to the Nizam-es-Sultaneh by Sheikh Khazal, who at present holds the lands on lease.

Sheikh Khazal told Mirza Ali to talk matters over with his agent, Haji Rais-ut-Tujjar, but said that in no case should he accept responsibility for Mirza Ali's safety.

The matter was then discussed between Haji Rais-ut-Tujjar and Mirza Ali, but nothing definite was settled. Haji Rais merely promised to consult Sheikh Khazal and let Mirza Ali know the result in the course of the next few days.

I learn that Sheikh Khazal has written to-day to the Nizam-es-Sultaneh that he cannot let Mirza Ali proceed to Husseinabad until the present occupants and cultivators of the land with their chief, Sheikh Hyder, have been ejected.

Mirza Ali has been informed of the dispatch of this letter and has been asked to stay in Nasiri until a reply is received, Sheikh Khazal meanwhile undertaking to pay his personal expenses.

It would be very difficult, if not impossible, for Sheikh Khazal to eject Sheikh Hyder and the cultivators from the lands without compensation and the provision of land for them elsewhere, and it is most unlikely that the El Kathir would remain and work under the concession-holder or his agent without any trouble.

Sheikh Khazal's present policy appears to be to afford no help to the concessionaire and so discourage him that he will be brought to realise the serious difficulties that there are in his way and be induced to give up the project as impracticable.

[29939]

No. 205.

Sir G. Barclay to Sir Edward Grey.—(Received July 31.)

(No. 114.)

Sir,

Gulahek, July 10, 1911.

IN my despatch No. 111 of the 11th instant, respecting the conflict between Mr. Shuster, the American Treasurer-General, and M. Mornard, the Belgian Administrator-General of the Customs, I reported that Mr. Shuster had written to M. Mornard drawing his attention to the law defining the Treasurer-General's powers and stating that all the gross receipts of the Customs and all balances at the Imperial Bank of Persia and the Russian Bank should be placed to his (the Treasurer-General's) credit. On the 30th ultimo, as M. Mornard had paid no heed to the Treasurer-General's instructions, the Council of Ministers passed a resolution approving Mr. Shuster's letter to M. Mornard, and decided to direct the latter to obey the law in question, and these directions were communicated to M. Mornard by the Minister for Foreign Affairs on the 5th instant. In the meantime M. Mornard continued to draw cheques on the Customs account at the Imperial Bank, and the refusal of the bank to meet a cheque drawn for the transfer to the Russian Bank of a certain portion of the northern customs receipts, which had been kept by M. Mornard at the Imperial Bank for convenience, aroused M. Poklewski's intense indignation. M. Poklewski had already, as reported in my despatch No. 111, been disposed to support M. Mornard, and his anti-Shuster attitude was intensified by the bank's action, which was, as you are aware, in accordance with the instructions from the Treasurer-General.

At this stage the conflict appeared likely to lead to a very awkward situation. I had told my Russian colleague that I wished to remain neutral in the controversy, and had urged him not to commit himself to any strong line without instructions, but he thought that a threat was necessary if the Belgian administration was to be saved, as he felt that the Belgian Government would not allow their men to serve under any other foreigner in Persian employ, and he now intimated to the Persian Government that if the Belgians were compelled to leave he would demand the introduction of Russians in their place. With this support from the Russian Minister it seemed more than likely that M. Mornard would prove altogether uncompromising, in which case Mr. Shuster was resolved to demand the cancellation of M. Mornard's contract, failing which Mr. Shuster would himself resign. The situation was all the more difficult as the efforts to bring about a meeting between Mr. Shuster and M. Mornard had so far failed, and every day's delay made the meeting more difficult.

Fortunately, matters have since taken a more favourable turn. On the 7th instant the Minister for Foreign Affairs invited Mr. Shuster to be present at a Cabinet meeting on the following day; but, hearing that it was intended to confront him with M. Mornard, Mr. Shuster replied to the Minister for Foreign Affairs that he would not attend, as he could not discuss the position with a functionary who openly defied the recent law. The Minister for Foreign Affairs repeated his invitation, stating that there was no question of M. Mornard's disobeying the law, and that there was no reason for any discussion. On this assurance, Mr. Shuster attended the meeting. M. Mornard was also present; the Minister for Foreign Affairs introduced the two gentlemen, who, after some talk together, parted apparently the best of friends, and each one has since expressed himself satisfied with the result. Mr. Shuster has stated to his friends that M. Mornard has agreed unequivocally to comply with the law, and has acquiesced in the transfer of all the gross receipts of the customs to the Treasurer-General's account and in all payments from the customs revenue being made by the latter.

I trust, therefore, that the matter may be considered closed, but I should mention, as a somewhat ominous sign, that M. Mornard, no less than Mr. Shuster, considers that he has come out a victor from the struggle. It is therefore quite possible that there may be further difficulties.

In conclusion, I should mention that Mr. Wood, the manager of the Imperial Bank, has incurred the fierce resentment of the Russian Minister by so readily complying with Mr. Shuster's orders. I cannot myself see that Mr. Wood could have done anything but refuse payment of M. Mornard's cheques, as, in view of Mr. Shuster's instructions, to cash the cheques would have been a violation of article 10 of the bank's concession, though perhaps he might have found some course, when the first two cheques were presented (see my despatch No. 111), for complying with the Treasurer-General's orders, which would have been less offensive to M. Mornard than that which he adopted.

of referring the cheques to the Treasurer-General, without giving any explanation to M. Mornard—a course which introduced an unnecessary element of bitterness into the controversy at the outset.

I enclose herewith copies of the Minister for Foreign Affairs' note to M. Mornard of the 5th July referred to above. I also enclose a copy of the assurances given by Mr. Shuster to the Imperial Bank as reported in my telegram No. 232; the assurances given to the Russian Bank are similar to these.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 205.

Persian Minister for Foreign Affairs to M. Mornard.

M. l'Administrateur général, Le 5 juillet, 1911.
J'AI l'honneur de vous transmettre sous ce pli, au nom du Gouvernement Impérial, le texte de la loi du 23 djouza, 1329, portant organisation de la Trésorerie générale de l'Empire; cette loi règle en ce qui vous concerne les rapports qui doivent exister entre votre administration et celle de la Trésorerie générale.

J'attire votre attention sur les prescriptions édictées par ladite loi en ce qui concerne les instructions du Trésorier général. D'autre part, je vous prie de donner les ordres nécessaires pour que, conformément à la loi, les recettes des douanes de l'Empire soient remises en dépôt au crédit de M. le Trésorier général, qui a reçu l'ordre d'effectuer, de préférence à tous autres, les paiements à titres étrangers qui jusqu'à maintenant incombaient à votre administration.

Je suis convaincu que vous prêterez tout votre concours à la nouvelle organisation de l'administration des finances de l'Empire établie par la justice.

Je saisis cette occasion, M. l'Administrateur général, pour vous renouveler, au nom du Gouvernement Impérial, l'expression de ma haute satisfaction pour les services éminents que vous rendez dans l'administration que vous dirigez avec tant de distinction.

HASSAN.

Enclosure 2 in No. 205.

Mr. Shuster to Imperial Bank of Persia.

Dear Sir, July 4, 1911.
REFERRING to our previous conversations concerning the method of treating the banking accounts of the Imperial Government, under the law of the Medjliss of the 23rd Djouza, 1329, I have the honour to confirm my statements to the following effect:—

The gross customs receipts of the southern ports will be deposited with the Imperial Bank to the credit of the Treasurer-General, and will be carried on my books intact, and until all liens or obligations now constituting a charge upon them shall have been fully paid, no cheques will be drawn against these revenues except for actual and necessary expenses of the Customs Administration, as provided for in the recent loan contract. In the same manner the gross customs receipts of the north will be deposited to my credit with the Banque d'Escompte de Perse, and will be carried intact on my books until all liens or obligations now constituting a charge upon them shall have been fully paid and satisfied.

It is not my intention to in any manner mingle these special revenues with the general unhypothecated funds of the Imperial Government, but, on the contrary, carefully to maintain and preserve them as special security for the payment of the liens and charges which have been placed upon them.

I have been, and am, both ready and anxious to have all interested parties, such as yourself, fully assured as to the integrity of the guarantees and security which the Imperial Government has pledged on various accounts, and it will be my purpose to see not only that such security is properly maintained and that all payments due shall be punctually made, but, in addition, that all the financial affairs of the Imperial Govern-

ment shall be so conducted as to increase these guarantees in common with the general credit of the Empire.

I shall be most happy at any time to have you, or others similarly interested, send a representative to examine my books and the accounting methods by which the financial affairs of the Government will be conducted.

MORGAN SHUSTER.

[29940]

No. 206.

Sir G. Barclay to Sir Edward Grey.—(Received July 31.)

(No. 115.)
Sir,

Gulahek, July 11, 1911.

MR. MORGAN SHUSTER has now been two months in Tehran, and his influence is already a leading factor in the situation. The Medjliss, for the moment at least, is entirely at his command, and proposals from him have only to be made to be accepted with practical unanimity.

One must admire the pluck and energy with which he has at once thrown himself into the struggle for reform, but at the same time one cannot have but some misgivings as to the results of his headlong progress.

On the only occasion on which I have met Mr. Shuster he emphasised the purely financial character of the work before him, and said that he was no politician. If he means by this merely that he will refrain from meddling in politics one can only applaud his resolve, but the apparently light-hearted way in which he embarked on a conflict with the Belgian Customs Administration, and followed this up with the offer of the Treasury gendarmerie appointment to Major Stokes, in both of which steps he was exposing himself to opposition from Russia, would seem to give his disclaimer of the politician's rôle a more ominous significance, and point to its denoting a disregard of political considerations which it would be wiser to take into account.

His Majesty's Ambassador at Washington foresaw the difficulties which might arise from Mr. Shuster's appointment when he wrote in his despatch No. 45, "If these accounts are true, Mr. Shuster is one of those persons with whom it will be necessary to deal tactfully from the outset, so as to guide any laudable wish he may evince to protect the interests of the native Persians into channels consistent with the desire of His Majesty's Government to attain the same object by well-chosen methods suitable to Oriental conditions." Unfortunately, owing to Mr. Shuster's desire to promote amongst the Persians confidence in his independence of foreign influence, he has, as you are aware, so far held aloof from the foreign legations, so that little opportunity has been afforded to my Russian colleague or me for the tactful handling recommended by Mr. Bryce. Mr. Shuster by his conflict with M. Mornard has already provoked the bitter hostility of my Russian colleague. As reported in my despatch No. 114 of yesterday this conflict seems to be in a fair way of adjustment, but this instance is, I fear, by no means destined to be the last in which Mr. Shuster will come into conflict with the representatives of one or other of the two great neighbouring Powers.

I have &c.
G. BARCLAY.

[29941]

No. 207.

Sir G. Barclay to Sir Edward Grey.—(Received July 31.)

(No. 116.)
Sir,

Gulahek, July 11, 1911.

WITH reference to my despatch No. 87 of the 8th ultimo respecting the state of security prevailing on the main southern road, I have the honour to report that the locality of Kamarej described as dangerous in my last report became no longer so after the 9th June owing to the fact that Mollah Khurshid, the ex-khan, succeeded in reinstating himself at Kamarej. He accordingly abandoned his predatory intentions and gave strictest orders to his dependents not to interfere in any way with posts or caravans. The Governor-General had intended to eject Mollah Khurshid again from Kamarej, but at the last moment, having no Kashgais to rely upon, his Excellency thought it more prudent to recognise Mollah Khurshid in his khanship. Also, the Governor-General's own nominee appears on the 7th June to have robbed four bales of

[1505]

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Seistan.

1. Baron Cherkassoff, the Russian consul, arrived at Birjand on the 27th May.
2. The general condition of the province remains unchanged, the prevailing disorder being due to the feebleness or rascality of the present Governors of Seistan and Kain. The roads are said to be generally unsafe, and large consignments of goods are lying at Kuh-i-Malik Siah awaiting a safe opportunity for dispatch northwards. Further serious raids by Baluchis were reported from the southern part of the Kainat, near Neh, on the 7th July. On the same day a riot occurred at Birjand between the governor's men and some villagers who had taken refuge in the town from fear of Baluchi raiders. Two men were killed and over thirty wounded. The riot was instigated by Hashmat-ul-Mulk's faction.

3. Hospital figures for May :—

Seistan, 3,297 cases and 44 operations.

Birjand, 620 cases.

Ispahan.

1. The general condition of the province remains unchanged. In Ispahan itself the clergy are conducting a revivalist movement which began with an alleged miracle at a shrine. Their object is to recover their lost ascendancy over the public, and they appear to have had considerable success with the lower orders. The Yezd and Sultanabad roads appear to have remained safe. Robbers still frequent the Tehran road between Ispahan and Kashan. The post was robbed near Khafr on the 16th June, and ten mules with their loads were carried off between Tarkh and Natanz on the 4th July. The caravan road over the Kohrud pass was reported to be held by Nazar Bakhtiaris, who had killed one road guard and wounded two others; 200 mules were detained at Kohrud.

2. There is no further news of fighting between the Chaharlang and the Haftlang Bakhtiaris, and nothing tangible has resulted from the recent disorders. The Haftlangs state that the Chaharlangs have submitted.

3. Mirza Abbas Khan, who attempted the life of Motammed-i-Khakan when Governor of Ispahan and killed the latter's nephew, has left Ispahan under escort to Russia.

Kum.

On the 5th July a caravan was robbed on the Sultanabad road near Kum. There are no road guards, and the governor is unable to get funds from Tehran to enlist any. The post was robbed at Dehnar on the Kashan road on the 30th June by six mounted Bakhtiaris.

Yezd.

Fakhr-ul-Mulk, the new governor, arrived on the 30th May. He has not so far given proofs of possessing any capacity for his work. Robberies were reported early in June on the Nain-Ardistan, Yezd-Meshed, and Yezd-Fars roads. The governor is endeavouring to get control of the road guards, but this is attributed to his desire to handle more funds.

Luristan.

Lieutenant Wilson arrived at Burujird after a journey through Luristan on the 19th July. He advocated the prompt opening of a mule track by the Persian Transport Company. Such an enterprise would be helped by the governor, Amir-i-Mufakham, Bakhtiari, to whom it would be very useful. The governor, who has several hundred Bakhtiari horsemen with him, appears to have succeeded after some fighting with the Lurs in asserting his authority, and reinforcements he had summoned have been countermanded.

Kerman.

1. The expedition sent by the Governor-General to restore order in Baluchistan returned to Kerman on the 12th June, having failed to effect anything. The troops besieged Bahram Khan in Fahraj fort for some time, but the arrival of Saïd Khan and some Mekran chiefs with 1,000 men caused them to raise the siege and return to

Kerman. Such prestige as the Persian Government possessed in Baluchistan has suffered a severe blow by the failure of the expedition.

2. Sardar-i-Mohiy, of Resht, who was implicated in the disturbances at Tehran last year, has been appointed Governor-General of Kerman.

Kermanshah.

1. Lieutenant Wilson arrived from Burujird on the 26th June and left a few days later for Bushire via Bagdad.

2. A reactionary emissary, Ali Kuli Khan, was arrested recently at Kermanshah. He has been sent to Tehran.

3. Daoud Khan, Kalhur, attacked Samsam-ul-Mamalek, Sinjahi, but the latter's men held out successfully in two forts, and Daoud Khan's men sustained 100 casualties. After devastating a track of country 15 miles square, Daoud Khan sent an emissary to the Sinjabis, and peace was arranged, the two chiefs meeting to confirm it. Daoud Khan has promised to give Samsam-ul-Mamalek the governorship of Kasri-Shirin later on.

4. Early in June, Asker Selim, a faction leader, was murdered by Akber Khan, brother of the late Muin-ur-Raya, and his men. This led to a critical situation in Kermanshah, one faction assembling to attack the other. The acting governor, however, succeeded in maintaining order for the moment, and the bazaars, after being closed for three days, were reopened. The situation continued unsettled and several murders were committed. On the 6th July, an attempt was made to murder Seyyid Akber Shah, a priest, and several people were wounded. On the 8th the bazaars were again closed. A mob plundered and burnt the offices of the police, justice, opium, and telephone administrations. The inhabitants telegraphed to Tehran that if nothing was done they would invade one of the consulates to compel intervention. Meanwhile, Lurs were raiding the environs, and the Sultanabad and Mahidasht roads were unsafe. The road guards were reported to be making heavy exactions on all caravans. The new governor is on his way to Kermanshah with troops.

Shiraz.

1. The incident caused by Persian soldiers attempting to take refuge in His Majesty's consulate ended in the Governor-General disarming and sending to their homes the entire regiment to which the men belonged.

2. On the 26th June, Intizam-ul-Mamalek, son of Kawam-ul-Mulk, left Shiraz secretly. It was presumed he had gone to join the Arab tribes, who are loyal to the Kawam. He returned to Shiraz on the 30th June. On the 5th July the Governor-General wrote to His Majesty's acting consul privately that the intrigues of the Kawam's family were likely to cause grave disorders, and that the Kawam was cognisant of them. He asked Mr. Knox to stop the Kawam intriguing, as he did not wish to have to take violent measures. At the same time the Kawam's wife and son wrote to the Kawam that they were being threatened, and their servants were arrested if they left the house. Mr. Knox was authorised by His Majesty's Minister to reply to the Governor-General that he was astonished at his statement that the Kawam was cognisant of intrigues outside as he (Mr. Knox) exercised strict supervision over his correspondence. His Majesty's Minister at the same time informed the Persian Government that the Governor-General was making baseless insinuations against Mr. Knox. Mr. Knox obtained a letter from the Kawam to his wife advising his friends to abstain from anything likely to lend itself to unfavourable construction. On the 6th July the Kawam's wife wrote to Mr. Knox complaining of persecution, and stating that her only hope now was in flight. Mr. Knox replied that he was communicating her letter to His Majesty's Minister. On the 7th July the Governor-General sent word to Mr. Knox that the intrigues of the Kawami party were becoming dangerous, that they had 300 riflemen in the town, had seized a gate of the town and various dominating positions, and had fired on the police. Mr. Knox, at the Governor-General's invitation, investigated the matter, and reported that the only position occupied by men other than the Governor-General's, was a town gate held by eighty Bulvardis, who had come to claim blood-money for one of their number killed last year by a man now in the Governor-General's employ. It appears that the Kawam, when Acting Governor-General, attempted to bring this man to justice. Meanwhile the Persian Minister for Foreign Affairs informed His Majesty's Minister that he heard from Shiraz that the Kawam's followers were responsible for rioting in the Saadi

quarter. His Majesty's Minister instructed Mr. Knox, if this were so, to tell the Kawam that his followers must at all costs be kept quiet, that he could not be indifferent to disorders promoted by the followers of a man in refuge in His Majesty's consulate, and that if they continued the Kawam would incur a very grave responsibility. A further intimation was received by His Majesty's Minister from the Persian Minister for Foreign Affairs that the rioters were not Bulvardis, but men of the Failieh quarter, instigated by the Kawam's followers; that the Kawam's house was barricaded and held by these rioters, who had fired on Government house, and that the Kawam's friends had sent messages to the Arab tribes summoning them to Shiraz. Mr. Knox reported that on the 7th July the Governor-General sent two emissaries to the Kawam to say that the intrigues of his followers were becoming dangerous, and that his house would be pillaged if they did not cease. The Kawam replied through Mr. Knox in a moderate tone. Mr. Knox reported that on the night of the 7th July there was considerable firing, but no casualties occurred. On the 9th July His Majesty's Minister instructed Mr. Knox to inform the Kawam that the Persian Government had assured him that they were satisfied with the guarantees given by the Governor-General for the safety of the Kawam, and that the Kawam should now arrange with the Governor-General for his journey to Bushire. The Kawam replied that as the Governor-General was preparing wantonly to attack his family and house his assurances were of no value. He would leave on fulfilment of any one of the following conditions:—

(1.) The Persian Government to give His Majesty's Minister formal assurances to respect the lives and freedom of his family, and that his estates would be maintained intact; these assurances to be given to him in writing by His Majesty's acting consul, with a statement that His Majesty's Minister was satisfied with them.

(2.) The Persian Government to farm his estates during his absence, paying his debts, and giving him a pension from the proceeds until he was permitted to return, when he would again enter into possession of them. In this case he would take his family with him.

(3.) If or when a Governor-General of Fars was appointed who had no personal animosity against himself, he would be ready to leave Persia without any guarantees. He would give His Majesty's acting consul a written guarantee to this effect.

On the 8th July the Governor-General issued a proclamation that after twenty-four hours he would bombard the eastern quarter of the town in which the Kawam's house stands. The leading priests telegraphed to the Regent protesting against the Governor-General's attitude. The Governor-General telegraphed to Soulet-ed-Dowleh, who was near Abadeh, asking him to send every available man. The Kawam requested that if the bombardment were to take place he might leave the consulate in order to do what he could for his family. His Majesty's Minister instructed Mr. Knox to let the Kawam go if he wished, on the understanding that he would not be permitted to return. On the 9th July Mr. Knox telegraphed, traversing the statements of the Persian Foreign Minister regarding the rioters, and stating that he had no knowledge of emissaries being sent to the Arab tribes. He added that, at the Governor-General's request, he had advised British subjects not to appear in the Kawami quarter. On the same day the Persian Foreign Office agent officially informed Mr. Knox of the terms of the Governor-General's proclamation, and requested him to instruct British subjects to leave the quarter before the bombardment. Mr. Knox was authorised to do this by His Majesty's Minister, who at the same time informed the Persian Government that he would hold them responsible for the lives and property of British subjects. To this the Persian Government replied that they could not accept legal responsibility for British lives and property, as British subjects had been warned to evacuate the quarter, but the Governor-General had been ordered to use the utmost discretion. Meanwhile, Mr. Knox reported that nearly the whole population of the eastern half of the town was preparing to resist the Governor-General. On the afternoon of the 9th July he reported that twenty-four hours' grace had been accorded before the bombardment, and that a leading priest was trying to mediate between the Governor-General and the Kawam. On the 10th July His Majesty's Minister authorised Mr. Knox to remind the Governor-General of the serious responsibility he would incur for any loss of British lives or property. On the same day Mr. Knox reported that the majority of the Arab tribes, believed to be loyal to the Kawam's party, and said to be in communication with it, was near Dehbid. Its chiefs were said to be in communication with Zeigham-ed-Dowleh, Kashgai, at Ispahan.

PERSIAN GULF.

Bunder Abbas.

At the end of May the roads to Kerman were reported safe, but the road to Lar was unsafe near Lar.

Ahwaz.

His Majesty's consul reported on the 28th June that he heard on good authority that the Vali of Pusht-i-Kuh had been deposed by his son, Amanullah Khan, and imprisoned at Dehbala. Pusht-i-Kuh is quiet.

C. B. STOKES, Major,
Military Attaché.

[29943]

No. 209.

Sir G. Barclay to Sir Edward Grey.—(Received July 31.)

(No. 118.)

Gulahek, July 12, 1911.

Sir,

I HAVE had the honour to receive your despatch No. 61 of the 7th June requesting my observations in regard to a letter from Messrs. Ellinger, dated the 2nd June, and its enclosures on the subject of the Muin-ut-Tujjar concession for the Island of Hormuz.

Turning to the list of documents in the case to be found on p. 1 of the newspaper reports (Enclosure 1 in Messrs. Ellinger's letter), I would point out that document No. 2, the Royal firman dated 1312 (1894 or 1895), granting the mines to Malik-ut-Tujjar for ten years, is the main authority by which Muin in virtue of the transfer made to him in 1897 (document No. 3) came originally into possession of the mines. According to the newspaper reports, it would seem that the firman of 1312 was actually produced and read to the committee of the Medjliss, but as a matter of fact Abbas Kuli Khan has satisfied himself at an interview with Muin that the only firmans produced were those published in the pamphlet, and this statement is borne out in the pamphlet itself on p. 48 in the passage quoted by Messrs. Ellinger, to the effect that "the originals of the firmans published in this brochure are temporarily lent to the Medjliss."

The only firmans published in the pamphlet are:—

(a.) No. 6. See list of documents on p. 1 of newspaper reports, the firman dated 1315 (1898) which confirms Nasr-ed-Din's firman, that of 1312, and explicitly states that the latter was for the period of ten years. It annuls the concession wrongly given to Malcolms and incidentally raises the taxes.

(b.) No. 7. The firman dated 1322 (1904) confirming the Muin's rights under the ten-year concession of 1312, which was not yet expired apparently (the ten years apparently dated from 1313), raising the rate of taxation, but mentioning no period of time. The interpretation of this firman, translation of which was forwarded to you in my despatch No. 317 of the 19th December, 1908, was the real point of dispute between the Muin and the Persian Government.

(c.) No. 8. Autograph of the late Shah enjoining on the Heir in His Majesty's absence in Europe to execute the above.

I have touched on the question of the production of the originals of the firmans, as Messrs. Ellinger seem to attach importance to it, but I do not well understand what difference it makes whether the originals are produced or not, as the facts are not in dispute.

On p. 20 of Muin-ut-Tujjar's pamphlet he writes that in the year 1307 (1889) a firman was issued (No. 1 on p. 1 of newspaper report) allotting the island to Hajji Nakhoda Ali for a term of five years, and that after the expiration of the five years (*i.e.*, in 1312) Hajji Jafar (latterly called Malik-ut-Tujjar) obtained a firman for a term of ten years (document No. 2), which was two years afterwards transferred to Muin-ut-Tujjar under the same conditions (document No. 3).

Then followed the Malcolm incident, the upshot of which was reported to you in the legation despatch No. 2 of the 5th January, 1898, and referred to in my telegram No. 29 of the 31st January, and ended in the confirmation of Muin's rights under the firman of 1312.

With reference to this incident, Messrs. Ellinger point out in their letter that they had heard that, "after judgment had been given in favour of the Muin, the firman had been endorsed by the British Legation at Tehran," &c., and that "you will find that reference is made to this in the report of the proceedings of the Medjliss Committee wherein the firmans submitted to the committee are enumerated, in one of which, the Royal firman dated 1897, there is said to be a marginal note signed by the English Minister, declaring that the concession belongs to the Muin-ut-Tujjar."

The firman of 1314 (1897) was the firman (document No. 4 of the list) wrongly granted to Malcolm, and, according to Muin's account (p. 24 of the pamphlet), "Malcolm's original firman was delivered to me by the Ambassador, who wrote on its margin its invalidity."

I do not see how the production of this firman can assist the case of Messrs. Ellinger, as there is no dispute that the verdict of the enquiry was to replace Muin in possession of his undoubted rights under the firman of 1312.

On pp. 25 and 26 of his pamphlet Muin describes the circumstances under which, before the expiry of his lease, efforts were made to increase the taxation payable by him, and the indefinite firman of 1322 (1904) was eventually granted to him confirming his rights in terms which the Muin interprets as "in perpetuity."

On p. 37 Muin again refers to this firman, and discusses the point that no limit of time was fixed in its terms, but nowhere does the Muin base his claim for the continued possession of the mines under any other firman than that of 1322 (1904), and nowhere does he dispute that the firman of 1312, of which the original is not forthcoming, was restricted to ten years.

The whole question then really turns on the interpretation of the firman of 1904, the terms of which are in your possession, and neither in the debates in the Medjliss nor in Muin's pamphlet are any convincing arguments brought forward that the phrase "and onward," as it appears in the translation furnished by Messrs. Ellinger, or "henceforth" as it appears in the legation translation, should in itself confer the perpetuity, and there is no other ground advanced by the Muin or his supporters for his continued possession, save his moral rights to a priority from the Government in the future disposal of the mines. The speech reported on p. 6 of the newspaper report of Montassar-ul-Sultan, seems to give a just résumé of the case.

The matter ended, as stated, in your letter to Messrs. Ellinger of the 7th June last in a compromise. This compromise, as was reported in my telegram No. 23 of the 25th January, 1911, consisted in the payment to Muin of 1*l.* per ton on the oxide already mined at the time the Government took possession of the mines, up to 24,000*l.* Hitherto Messrs. Strick and Company, in accordance with the order of the Minister of Finance, have paid Muin this money in measure as the oxide was shipped, and about 600*l.* has, I believe, been paid to him on this account. I hear confidentially, however, that Mr. Shuster, the new Treasurer-General, has ordered Messrs. Strick to desist from deducting 1*l.* per ton in favour of Muin, but to make all payments for oxide in full to the Treasurer-General. The latter declares that he has no authority to pay the 1*l.* per ton to the Muin, and that when he applies for it, Mr. Shuster will ask him to produce all his documents in support of any or all of his claims on the Government, including those relating to the lease of the islands, and he will then submit the whole case to the decision of the Cabinet first and the Medjliss afterwards.

I have the honour to return herewith the enclosures contained in your despatch under reply, and to express respectfully my opinion that both the debate in the Medjliss and the Muin's own pamphlet fully confirm the account given by the Vekil-ul-Roaya, as reported in Mr. Marling's despatch No. 72 of the 14th May, 1910, from which it appears that Muin's original lease had expired in 1905, *i.e.*, before the date on which he concluded his contract with Messrs. Weir. Whether the firman of 1904 entitled Muin to make contracts for a term of years beyond 1905 is the point at issue, and Muin's agreement with Messrs. Weir that he should not be liable for damages in the event of the Persian Government dispossessing him points to Muin's own doubt on the subject.

In conclusion, I would submit that Messrs. Ellinger's insistence on the production of originals serves no useful object, as the translation of the firman of 1904 is in their possession and yours, and no other is the subject of dispute.

I have, &c.

G. BARCLAY.

[29944]

No. 210.

Sir G. Barclay to Sir Edward Grey.—(Received July 31.)

(No. 119.)

Sir,

Gulahek, July 12, 1911.

WITH reference to my despatch No. 107 of the 28th June, I have the honour to report that on the 6th instant the Medjliss voted practically unanimously in favour of the Minister of Finance's proposal to engage three more foreigners to work under the American treasurer-general.

The first of these new men to be charged with the formation of a force of gendarmerie for the Treasury Department. The salary of this post is fixed at 5,000 dollars a-year, and the post has, as reported in my telegram No. 234, been offered by Mr. Shuster to Major Stokes.

The precise functions of the other two posts are not stated. The salaries attached to them are respectively 3,000 dollars and 1,500 dollars.

I have, &c.

G. BARCLAY.

[29945]

No. 211.

Sir G. Barclay to Sir Edward Grey.—(Received July 31.)

(No. 120.)

Sir,

Gulahek, July 12, 1911.

SIPAH DAR returned to Tehran from Resht last Sunday, but the crisis provoked by his abrupt departure on the 15th ultimo is not yet ended.

On his arrival he waited upon the Regent, who has given me the following account of what took place at this audience.

Sipahdar said that the Medjliss had made it impossible for him to carry on as Prime Minister, but when he had reached Resht they had entreated him to come back. He had therefore abandoned his intention of going to Europe and had returned. He now wished to know exactly what the Medjliss wanted of him, and he placed himself in their hands. If they wished for his services he was willing to serve as Prime Minister, and would frame his Cabinet according to their wishes; if not he would acquiesce, and the Medjliss might be sure that he would not intrigue against those in power.

On the following day, the 10th instant, the Regent saw the deputies of the majority and of the Opposition. He begged them to sink their differences. The majority said they wished for Sipahdar as Prime Minister. His Highness asked them to choose a Cabinet, but found the majority totally unable to agree as to its composition. They finally asked his Highness to choose it for them, but this he declined to do.

Yesterday the Ministers tendered their resignation.

The departure of Sipahdar from Resht relieved the friends of the present régime of some anxiety, as it was felt that while in Resht, where his properties in the district give him great influence, he might be led by his resentment against the Medjliss to provoke trouble in the interest of reaction. The prolonged Cabinet crisis and the continued failure of the Government to assert its authority in the provinces have been all in favour of a reactionary movement, and there has recently been much talk of, and some evidence of, activity amongst Mohamed Ali's friends. The Regent has himself evinced some anxiety on this head. He tells me that recently the police discovered a secret reactionary society in Tehran, styled the "Islamic Union." They raided its head-quarters and found a register of some 2,000 names, many of them those of well-known persons. The Regent had been for punishing the ringleaders, but they had been allowed to go free. The Regent tells me also that Mujallal-es-Sultan, the great favourite of the ex-Shah, who went into exile with His Majesty, has returned to Persia, and is now with the rebellious Shahsevars, to whom he has delivered letters from Mohamed Ali Shah. His Highness thinks Mujallal-es-Sultan's mission may be connected with the proceedings of Salar-ed-Dowleh, the ex-Shah's brother, who, as will be observed from the monthly summaries, has been seeking to provoke a rising in Kurdistan. In the circumstances, it is decidedly comforting to both Moderates and Democrats to have got Sipahdar back in the capital, where they have a better hold on him.

[1505]

I doubt, however, whether except for this his return to Tehran really improves matters. The Regent apparently looks upon him as the best man available for the post of Prime Minister, and yet it seems hardly imaginable that anyone with Sipahdar's antecedents should be able to work under the real constitutional restraints which, now that the Medjliss have found a man like Mr. Morgan Shuster to work with, it is in a position to impose.

I have, &c.
G. BARCLAY.

[29929]

No. 212.

Sir G. Buchanan to Sir Edward Grey.—(Received July 31.)

(No. 212.)

Sir,

St. Petersburg, July 24, 1911.

ON the receipt of your telegram No. 355 of the 18th instant, I called on the Acting Minister for Foreign Affairs, and enquired whether in view of the increasing gravity of the situation in Persia, and of the appeal made by the Regent to the British and Russian representatives, the Imperial Government would join His Majesty's Government in notifying the ex-Shah that under no circumstances could his return to Persia be allowed.

M. Nératof interrupted me by saying that he had that morning received a telegram from the Russian consul at Astrabad stating that the ex-Shah was reported to have landed at Gumish Tepe with a few followers, and that His Majesty was preparing to march on Astrabad at the head of the tribes who had joined his standard.

In reply to my enquiry as to how His Majesty had contrived to get to Gumish Tepe, and whether he had passed through Baku with the persons supposed to be his emissaries, who had been temporarily detained by the Russian authorities, his excellency said that he was entirely without information on the subject. He had caused enquiries to be made respecting the individuals, to whom I had alluded, but had been informed that no one had recently arrived at Baku, whose appearance had given the authorities any grounds for suspicion.

I then proceeded to say that as the ex-Shah had left Persia under British and Russian protection, and as both Governments had recognised his son, you did not see how we could acquiesce in the return of the former, and I should, therefore, like to know whether his Excellency thought that it would still be advisable for us to make a communication to His Majesty of a somewhat similar character to that which you had proposed, or whether he had any other suggestion to make. His Excellency replied that, were the ex-Shah still in Europe, he would willingly join in addressing such a warning to His Majesty, but now that he had landed in Persia, we were in the presence of an entirely new situation. His Majesty, by landing at Gumish Tepe, had burnt his boats, and must pursue his enterprise to the bitter end. It was useless, therefore, for us to make any communication to him, as he would certainly pay no attention to anything we might say. It was perfectly true that we had recognised the present Shah, but this fact did not justify our intervening in the internal affairs of Persia any more than the fact that we had recognised the ex-Shah would have justified our intervening to prevent his deposition.

I had a further interview with M. Nératof on the following day, when I informed him of the communication which you had instructed me to make to him in your telegram No. 358 of the 19th instant. I said that you took a different view to what his Excellency did of the line of conduct to be pursued by the two Governments at the present crisis, and considered that, in view of the ex-Shah's return, His Majesty's pension should be stopped, and that he should be informed that on no account would the two Governments consent to recognise his return to the throne nor to allow him to remain permanently in Persia.

M. Nératof replied that he had gathered from a telegram which he had received from Count Benckendorff that there might be a divergence of views between the two Governments, but he must, nevertheless, adhere to what he had said to me yesterday. Now that the ex-Shah had taken the field, it would be impossible for him to draw back till his enterprise was crowned with victory or till he had suffered a crushing defeat. In the former case it would be very difficult for us not to recognise him, when once he was re-established on the throne, nor would it be of any use for us to tell him that we would not allow him to remain permanently in Persia unless we were prepared to back

up our words by deeds and send troops to Persia to enforce our decision. It was, moreover, too late now to warn him that his pension would be stopped, as if this enterprise ended in failure the Medjliss were certain to discontinue it.

I pointed out to his Excellency how necessary it was for us to stand by the Regent, whose high character offered us the only prospect of the establishment of order and good government in Persia, and said that I feared that His Highness might throw up the sponge if we did not give him the assurances which he had already asked for.

M. Nératof replied that we could hold out no hope to him of any material support either in the shape of money or of troops; and this was the only kind of support which would be of any service to him. He willingly admitted His Highness's many good qualities, but up to the present he had accomplished nothing, in consequence of the impossible elements with which he had to deal in the Medjliss. On my remarking that it was unfortunate, perhaps, that His Highness could not be given more extended powers, his Excellency said that, under the present régime, it would be impossible to restrict the powers of the Medjliss. If, however, the ex-Shah recovered the throne, there would probably be a revision of the constitution. His Excellency then repeated that, in his opinion, there was nothing for the two Governments to do but to allow events to take their course. He was strongly opposed to the idea of intervention, as if we were to intervene now we should probably be forced to intervene again before very long; and unless we were prepared to send troops, we could neither stop the Shah's advance, should he gain the upper hand, nor give any effective support to the present Government.

I said that I had noticed that the "Novoe Vremya," in an article published that morning, had advocated intervention in the event of the lives of Russian subjects being in danger, and cited several cases of attacks that had recently been made on them. M. Nératof replied that a Russian officer had been killed as he was riding home from attending a mixed frontier commission, and that, in view of the general state of insecurity, the question of dispatching a Cossack detachment to protect the caravans on the main road had been seriously considered. This idea had now been abandoned, as the dispatch of troops at the present moment might be interpreted as an intention on the part of Russia to intervene in the struggle that was impending between the present Government and the ex-Shah. His Excellency added that instructions had been sent to the Russian consuls in Persia to observe a strictly natural attitude, to keep a careful watch over Russian interests, and to hold the *de facto* authorities for the time being responsible for any injuries caused to the persons or property of Russian subjects.

From the general tone of the Russian press it is clear that anything in the shape of an armed intervention in support of the existing régime in Persia would be most unfavourably received in this country. The Liberal press in general deprecates any kind of intervention, while the "Novoe Vremya" only advocates it in the event of the lives of Russian subjects being in danger. On the other hand, the Nationalist organ, the "Sviet," warmly welcomes Mohammed Ali's return, and strongly protests against the idea of an intervention against him. The reactionary press adopts a somewhat similar attitude. It is, I think, generally felt that, as Russia abstained from intervening in order to maintain Mohammed Ali on the throne, she cannot now be expected to intervene in support of a Government which has never shown her any friendly disposition, and which has utterly failed to maintain order in the country.

I would only add that the suspicions which have been cast on Russia by certain organs of the British press of having been privy to the return of the ex-Shah have made a bad impression here, and are, I believe, entirely unfounded. Whatever negligence may have been shown by the local authorities at Baku in allowing Mohammed Ali to pass unhindered, and with whatever feelings Russian public opinion may view his possible re-establishment on the throne, the news of his landing in Persia came as a complete surprise to the central Government. M. Nératof would, I am convinced, have loyally supported His Majesty's Government in conveying the suggested warning to His Majesty, and would, moreover, have taken precautionary measures to prevent his passage through Russian territory had not the secrecy and the swiftness with which Mohammed Ali planned and carried out his return placed the Russian Government in presence of an accomplished fact.

I have, &c.
GEORGE W. BUCHANAN.

[30065]

No. 213.

Sir C. Spring-Rice to Sir Edward Grey.—(Received July 31.)

(No. 121.)

Sir,

Stockholm, July 26, 1911.

I HAVE the honour to state that I understand that the Swedish officers who were on their way to Persia have been stopped at Constantinople, where they remain at present waiting events.

I have, &c.

CECIL SPRING-RICE.

[29931]

No. 214.

Sir G. Buchanan to Sir Edward Grey.—(Received July 31.)

(No. 217.)

Sir,

St. Petersburg, July 27, 1911.

WITH reference to my despatch No. 212 of the 24th instant, I have the honour to report that, on receiving your telegram No. 371 of the 22nd instant, I called on the Acting Minister for Foreign Affairs and informed him that, while agreeing with him as to the advisability of refraining from an armed intervention in Persia, you considered that both Russia and England had assumed a certain degree of responsibility towards the present régime. Russia more especially had under the protocol of the 25th August, 1909, engaged to take all necessary measures to prevent any political intrigues on the part of the ex-Shah, who was to take up his residence on her territory, and it was therefore, in your opinion, incumbent on us to make it perfectly clear that we strongly disapproved his present attempt to regain his Throne. We owed this to the Regent and to the Persian Government, and I suggested that we might accomplish this object by assuring them of our full sympathy and moral support.

M. Nératof replied that this would be going further than the Imperial Government was prepared to go, as they could not depart from an attitude of strict non-intervention in the internal affairs of Persia. This was the attitude which they had adopted at the time of the ex-Shah's deposition. In their desire to meet the wishes of His Majesty's Government and to act in close accord with them they had refrained from using their influence to keep Mohamed Ali on the Throne, and they had even to a certain extent favoured the establishment of the new constitutional régime. This attitude had exposed them to the reproach of having subordinated the interests of Russia to those of England. If they were now to openly side with the existing Government in the impending conflict they would be reversing their former policy of non-interference, and would be severely taken to task by public opinion in this country.

I observed that it seemed to me that, in giving their moral support to the Regent and his Government, they would be but continuing the policy which they had inaugurated when they consented to the deposition of Mohamed Ali, and would be supporting a Government which they had helped to establish. M. Nératof replied that they had equally recognised and supported Mohamed Ali so long as he occupied the Throne, but that they had taken no steps whatever to maintain him in its possession.

I then called his Excellency's attention to the telegrams from Tehran which had appeared in the "Times" and in other British and foreign papers, and said that it seemed that the impression existed in Persia that the Imperial Government could not have been ignorant of the ex-Shah's intentions, and that His Majesty could not have passed over Russian territory and crossed the Caspian on a Russian steamer without the knowledge and connivance of the Imperial Government. It had also, I said, been stated that in Russian circles at Tehran satisfaction had been openly expressed at the prospect of the ex-Shah's restoration. Knowing as I did how entirely the Imperial Government had been taken by surprise by Mohamed Ali's sudden return, I regretted very much that such erroneous reports should have found circulation in the British press, but I thought that it was most important that his Excellency should do something to dissipate the false impressions which were evidently entertained at Tehran of the views and attitude of the Russian Government. I should have thought, I said, that it would be easy to instruct M. Poklewsky to give such assurances to the Persian Government as would leave them in no doubt as to the sentiments of the Imperial Government.

His Excellency said that it was quite possible that individual Russians at Tehran might have used the language attributed to them; but the Persian Government knew

perfectly well that the Russian Government had repeatedly warned Mohamed Ali against engaging in intrigues against them, and that they had been on the point of addressing a further serious warning to him, conjointly with His Majesty's Government, on the very eve of his unexpected departure. He could throw no light whatever on the question of how Mohamed Ali had eluded the vigilance of the Russian authorities, as the whole thing was a mystery to him. The Russian Government had, his Excellency declared, already given ample proof that they had nothing whatever to do with His Majesty's return. They had published a statement in the semi-official "Rossia," which ought to have made it clear to everybody that they had been taken completely by surprise. They had instructed their consuls in Persia to observe an attitude of strict neutrality between the contending parties, and were adhering to a policy of non-intervention. More they could not do. I might, however, his Excellency said, assure you that he was no partisan of the ex-Shah, that he thought that it was very doubtful whether Mohamed Ali would ever reach Tehran, and that, if he did, he would probably be assassinated before many months had elapsed. He had no desire to see a reversal of the present régime, and he would prefer to see it maintained. It was, however, quite another thing to make a demonstration in its favour, as he was convinced that any such action on the part of the Imperial Government would react unfavourably on Russian public opinion, and would prejudice the interests of the Anglo-Russian understanding by strengthening the hands of those who were always ready to assert that under it Russian interests were being sacrificed at the behest of England.

I have, &c.

GEORGE W. BUCHANAN.

[30201]

No. 215.

London All-India Moslem League to the Foreign Office.—(Received July 31.)

42, Queen Anne's Chambers, London,
July 29, 1911.

Dear Sir,

I BEG to send you herewith, for the information of the Right Honourable Secretary of State for Foreign Affairs, a copy of a resolution adopted at a special meeting of the London All-India Moslem League held on the 28th instant.

I am, &c.

M. KAZIM HOSAIN,

Honorary Secretary.

Enclosure in No. 215.

Resolution.

THAT, in view of the grave concern of the Mussulman subjects of His Majesty both here and in India, as to the future of Persia consequent upon the return of the ex-Shah Mohammed Ali, in violation of the protocol signed by Great Britain and Russia, and the certainty that it will plunge the unfortunate country into civil war which may be used as a pretext for aggression by interested States, the committee of the London All-India Moslem League desire to place on record their sympathy with the Persian people in their fresh tribulation, and their earnest hope that His Majesty's Government will use its best endeavours to make the ex-Shah abide by his engagement, thus preventing the bloodshed, disorder, and anarchy that will undo all the work achieved so far amidst great difficulties, and to ensure for distracted Persia peace and a free, liberal, and popular Government.

[1505]

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[30213]

No. 216.

Mirza Mehdi Khan to Sir Edward Grey.—(Received July 31.)

Sir,

[Undated.]

I AM instructed by my Government to draw the attention of His Britannic Majesty's Government to the arrival at Gumush-Tappe, in Persian territory, of Mohamed Ali Mirza, the ex-Shah of Persia. I am to refer your Excellency to the events which took place in the summer of 1909, and which resulted in the ex-Shah's taking refuge at the Russian Legation, and the drawing up of the protocol which was signed by Sir G. Barclay and the Russian representative on the 25th August of that year (1909). My Government thinks it hardly necessary to remind your Excellency of the various articles of this protocol. But they wish to draw your particular attention to article 11, by which His Britannic Majesty's and the Russian Governments undertook to give serious injunctions to the ex-Shah to abstain, once for all, from any political agitation against Persia. The Imperial Russian Government, on the other hand, undertook in this protocol to "take effective measures" in order not to allow the ex-Shah to carry on any such agitation.

I am to remind His Britannic Majesty's Government of the repeated representations made during the past year by the Persian Government, both to them and to the Imperial Russian Government, regarding the movements of the ex-Shah and of the agitations carried on by him against the present régime. My Government deeply regret that all their representations were received coldly, and no step whatever was taken by His Britannic Majesty's nor the Russian Government to assist them to put a stop to these agitations. Within the last month or so the attention of your Excellency's Government and that of the Imperial Russian Government was drawn to the increased activity of Mohamed Ali Mirza and to the arrival of his emissaries in Persia via Russia. Again nothing was done. The result is that Mohamed Ali Mirza himself arrived in a Russian boat in Persia on the 19th instant.

In view of the above facts, my Government desire me to protest to His Britannic Majesty's Government, and to say that, in accordance with the protocol referred to above, they have stopped the pension of Mohamed Ali Mirza, and the responsibility for any loss or injury that may be caused in consequence of what has happened must rest with the two Governments. I am further directed to say that in consequence of what has happened article 10 of the protocol (which deals with the question of certain "bastis" refugees, who at the time of the drawing up of the protocol were at the Russian Legation, *vide* article 9 of the protocol) will, *ipso facto*, come into force.

I have, &c.

MEHDI.

[30184]

No. 217.

Sir G. Barclay to Sir Edward Grey.—(Received July 31.)

(No. 301.)

(Telegraphic.) R.

Tehran, July 31, 1911.

MY telegram No. 269 of 21st July.

Lynch's agent tells me that he has now had to suspend transport not only on Bakhtiari road but also on road from Ispahan to Tehran, which latter is threatened by Naib Hussein (see annual report, p. 15).

[30215]

No. 218.

Sir G. Barclay to Sir Edward Grey.—(Received July 31.)

(No. 302.)

(Telegraphic.) P.

Gulahek, July 31, 1911.

SITUATION in Meshed.

In continuation of my telegram No. 298 of the 29th instant, His Majesty's consul-general at Meshed telegraphs as follows, No. 28 of the 30th July:—

"Town is again quiet. Mohammad Ali Mirza has been joined by the troops of Sharud numbering 400.

"I have informed Government of India."

[30338]

No. 219.

India Office to Foreign Office.—(Received August 1.)

Sir,

India Office, July 31, 1911.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 24th instant regarding an application made by the Persian Railways Syndicate to the Government of Persia for concessions to construct railways in that country.

It will be remembered that when His Majesty's Government applied for a concession for a railway from Mohammerah to Khorremabad, the Persian Government felt two difficulties about granting it, viz., (1) that it was made by a Government; (2) that by approving a railway that stopped on the border of the Russian zone they would appear to recognise the quasi-partition of Persia. The first difficulty His Majesty's Government removed by announcing to His Majesty's Minister at Tehran their intention to "stand aside entirely" (Sir E. Grey's telegram No. 132 of the 4th May). But, if the course now contemplated by Sir E. Grey is adopted, and the application by the Persian Railways Syndicate is limited to lines in the British sphere of influence, the second difficulty will remain and will doubtless seriously prejudice the prospect of any concession being granted.

In view of the importance that Lord Crewe attaches to certain of the concessions (especially that from Mohammerah to Khorremabad) being in British hands, he would regard this result with great regret, and in order to avoid doing anything that might contribute to bring it about, he would suggest that Mr. Greenway's letter should be left unanswered; but, that, if this is impracticable, it will suffice to refer to article 1 of the Anglo-Russian Convention, and say that of course the syndicate will not ask for the support of His Majesty's Government as regards these extensions.

With every desire that His Majesty's Government should loyally observe the spirit and letter of the Anglo-Russian Convention his Lordship feels rather strongly that it is impossible to enforce the same high standard of self-denial on private British undertakings without opening the door to the subjects of other Powers who are hampered by no such restrictions.

I am, &c.

EDWIN S. MONTAGU.

[30371]

No. 220.

Sir G. Barclay to Sir Edward Grey.—(Received August 1.)

(No. 303.)

(Telegraphic.) P.

Gulahek, August 1, 1911.

ADMINISTRATOR-GENERAL of Customs and Treasurer-General.

With reference to my telegram No. 275 of the 21st July, I have the honour to report that M. Poklewski has addressed a note to the Persian Government, various payments on account of the fixed charges arranged for under the consolidation agreement concluded between Persian Government and the Banque nationale d'Escompte on the 31st December (13th January) last having fallen due, in which he insists that the payment of the fixed charges should be made not by Treasurer-General but by M. Mornard.

[30369]

No. 221.

Sir G. Barclay to Sir Edward Grey.—(Received August 1.)

(No. 304.)

(Telegraphic.) R.

Tehran, August 1, 1911.

YOUR telegram No. 220 of 28th July: ex-Shah.

We made identic declarations yesterday, omitting words "contrary to engagements undertaken by him to Persian Government," and which were not in my Russian colleague's instructions.

[30372]

No. 222.

Sir G. Barclay to Sir Edward Grey.—(Received August 1.)

(No. 305.)

(Telegraphic.) P.

Gulahek, August 1, 1911.

SITUATION in Kermanshah.

In continuation of my telegram No. 297 of the 29th July.

His Majesty's consul at Kermanshah telegraphs as follows, No. 50, dated the 31st July:—

"I have the honour to report that Salar-ed-Dowleh, accompanied by about 2,000 men who have been reinforced by some 4,000 local levies here, entered Kermanshah last night, and is to-day receiving all classes."

[30373]

No. 223.

Sir G. Barclay to Sir Edward Grey.—(Received August 1.)

(No. 306.)

(Telegraphic.) P.

Gulahek, August 1, 1911.

SITUATION at Shiraz.

Information received from Shiraz shows that desultory fighting and pillaging by Kashgai tribesmen continue in the town and in the neighbourhood.

Following telegram, No. 239, dated the 31st July, from His Majesty's consul received to-day:—

"Yesterday Karguzar informed me that he had warned the Nizam that a pretext for intervention might be afforded to His Majesty's Government if he carried out his idea of sacking the revolted quarter of the town."

"To this warning Governor-General had merely replied that this did not concern him, and stated that if the central Government dismissed him he would first, whatever be the consequences, sack as much as he could of the town and then leave Shiraz without delay."

[30361]

No. 224.

Sir Edward Grey to Sir G. Barclay.

(No. 221.)

(Telegraphic.) R.

Foreign Office, August 1, 1911.

YOU should inform the Persian Government that Major Stokes has been required to resign his commission before taking up his appointment under the Treasurer-General. This appointment has been made irrespective of His Majesty's Government, who would have preferred to have been first consulted in the matter. It should be pointed out to the Persian Government that the employment of Major Stokes in military service in any active operations in the north of Persia may involve political considerations, and that His Majesty's Government cannot deprecate objections that may be taken to it.

[30213]

No. 225.

Sir Edward Grey to Sir G. Barclay.

(No. 97.)

Sir,

Foreign Office, August 1, 1911.

THE Persian Minister left with Sir A. Nicolson on the 25th ultimo a note, copy of which is enclosed herewith,* and again urged that His Majesty's Government would accord at least their moral support to the Persian Government in connection with the return of the ex-Shah.

He was told that His Majesty's Government deplored the revival of civil war in Persia, but that Sir A. Nicolson did not see how they could effectively intervene, or indeed that they had any right to do so. Sir A. Nicolson added that His Majesty's Government were in communication with the Persian Government on the situation.

* No. 216.

Mehdi Khan argued that as the ex-Shah had taken refuge in Russian territory and had escaped from there, and as Great Britain and Russia had both signed the protocol of 1909, they were both morally bound to dissuade him from fomenting disorders.

The two Powers might, in my opinion, have done this when the ex-Shah was in Russian territory, but now that he is in Persia at the head of his followers dissuasion is not of much use.

I am, &c.

E. GREY.

[29241]

No. 226.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, August 1, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 24th ultimo, asking that His Majesty's Minister at Tehran may be instructed to support the demand of your company for the removal of the present Karguzar of Mohammerah, on account of the misleading reports which he has furnished to the Persian Government in connection with the company's operations in Arabistan.

I am to state in reply that if the karguzar is in other respects a capable and satisfactory official, it might be difficult and undesirable for Sir G. Barclay to press the Persian Government to remove him, however objectionable his action may have been in connection with the company's operations, and Sir E. Grey accordingly hesitates to furnish the Minister with categorical instructions in this sense. A copy of your letter will, however, be forwarded to him, and discretion be given to him either to take action in accordance with the wishes of the company or to ask the Persian Government to address a serious warning to the karguzar to verify the facts which he reports concerning the company's operations, and to abstain from untrue, exaggerated, and misleading accounts of their proceedings.

I am, &c.

LOUIS MALLET.

[29766]

No. 227.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, August 1, 1911.

WITH reference to previous correspondence relative to the question of the measures to be taken for the protection of your company's interests at Kasr-i-Shirim, I am directed by Secretary Sir Edward Grey to inform you that he has received a telegram from His Majesty's Minister at Tehran, stating that His Majesty's consul at Mohammerah, who, as you are aware, is at present investigating the situation at Kasr-i-Shirim, reports that he found it undesirable to visit Kerim Khan, and that the only remedy for the evil which has arisen lies in the removal of that chief. Mr. Wilson adds that your company's agent fully concurs in these conclusions, and Sir G. Barclay states that he will see what he can do to secure Kerim Khan's removal as soon as the Persian Government have been able to restore some measure of their authority in the provinces.

I am, &c.

LOUIS MALLET.

[30508]

No. 228.

Mirza Mehdi Khan to Sir Edward Grey.—(Received August 2.)

THE Persian Minister presents his compliments to the Secretary of State for Foreign Affairs, and has the honour to refer his Excellency to the communications he has recently made to the Foreign Office, both verbally and in writing, regarding the return to Persia of the ex-Shah. The Minister has again received instructions from his Government to repeat to Sir Edward Grey that they fully depend on His Britannic

[1505]

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Majesty's Government to see to the carrying out in full of the provisions of article 11 of the protocol of the 25th August, 1909, which, among other things, stated that the representatives of Great Britain and Russia bind themselves to give "serious injunctions" to Mohammed Ali Mirza to abstain for ever from carrying on any political agitation against Persia, and the Russian Government expressly promised to take "effective measures" not to allow such political agitation on the part of Mohammed Ali Mirza. The Persian Minister, in his previous communications, referred in detail to what has taken place and to the attitude his Government maintain. Sir Edward Grey has learnt that the ex-Shah has passed through Russia and has arrived in Persia in a Russian boat in spite of the repeated warnings which the Persian Government gave to the Imperial Russian Government, both of the increased activity of the ex-Shah and of the arrival of his emissaries in Persia. These facts were also made known to His Britannic Majesty's Government both through Sir George Barclay and through the Persian Minister in London. The Russian Government paid no attention to the warnings and the representations of the Persian Government. On the contrary, the actions of the Russian authorities tend to encourage the movements of the ex-Shah. Instead of detaining the partisans and the emissaries of the ex-Shah while in Russian territory, as had been requested by the Persian Government, they release them forcibly after they have arrived in Persia and have been arrested by the Persian authorities. The Persian Minister is sending enclosed to Sir Edward Grey translations of telegrams received from his Government which will prove to his Excellency the extent that the Russian interference in Persia has reached, which is nothing short of taking the government of the country into their own hands. Nevertheless, when the question of carrying out the provisions of article 11 is raised they say their policy is one of non-intervention and non-interference!

The telegrams to which the Persian Minister has referred—first, the case of Rashid-ul-Mulk at Tabreez; second, the attitude of the Russian consul-general in Guilan; third, the behaviour of Russian troops in Tabreez; and fourth, the message sent to the deputy governor and the chief of the police of Ardebil by the Russian vice-consul in that town—all these prove what an astonishing degree Russian interference in Persia has reached. It goes without saying that these acts encourage the rebels and weaken the hands of the Persian Government. With all these facts before them, is it possible for the Persian Government to dissuade the people from believing that the political agitations now carried on in Persia have not the sympathy of Russia, when they are so openly encouraged by the Russian authorities?

The Persian Government earnestly appeal to His Britannic Majesty's Government first, to see that article 11 of the protocol of the 25th August, 1909, be carried out in full; second, that the Russian Government be urged to put a stop to these most serious interferences on the part of their authorities in Persia.

Persian Legation, London, July 31, 1911.

Enclosure in No. 228.

Translation of Telegrams received from the Persian Minister for Foreign Affairs.

(1.)

July 28, 1911.

RASHID-UL-MULK, ex-Governor of Ardebil, who was guilty of acts of treachery against the Government, had been detained by the Government of Azerbaijan. The Russian Minister verbally intimated that as Rashid-ul-Mulk possesses a Russian order he should be kept in honourable confinement and should not be subjected to any injury. We replied that Rashid-ul-Mulk would be kept in honourable confinement until he has stood a careful trial. This was done, but to-day we have received a telegram from Tabreez that the Russian consul-general in that city called on the deputy governor and asked him to release Rashid-ul-Mulk. The deputy governor replied that as Rashid-ul-Mulk had been detained by the order of the Government he could not let him go without permission. The consul-general left the deputy governor. Shortly afterwards some 300 Russian soldiers and Cossacks entered the Government House, threatened the deputy governor with their rifles, and carried away Rashid-ul-Mulk.

This [? It is] astonishing that [? the Russian Government] on the one hand at this important juncture declare themselves neutral and unwilling to interfere or intervene;

on the other hand, without saying anything to us they act in Persia as they please. They commit acts which are contrary to the independence of Persia and contrary to the law of nations. Please at once inform His Britannic Majesty's Government of this.

(2.)

July 29, 1911.

Telegraphic report received from Tabreez states that Russian soldiers and Cossacks molest people in the streets, and apparently their intention is to bring about a conflict with the inhabitants.

(3.)

July 30, 1911.

The inhabitants and the Provincial Committee of Guilan have sent a lengthy telegram of which the following is a summary:—

"The province of Guilan is perfectly secure and tranquil. Nevertheless the Russian consul is continually interfering and makes mischief. He has officially informed the Governor of Guilan that he will arrest and imprison anyone whom he suspects to be a Russian subject wherever he may be and in whatever costume he may be. The object of the consul is twofold: first, to arrest and imprison without the interference of the local Government Persian subjects on the pretext that they are Russian subjects; second, to use this as a means of entering people's houses and cause discontent and disturbance. He has, moreover, incited one or two of the ex-Shah's followers (who have for a long time been under his protection) to cause mischief. The whole population of Guilan expresses aversion towards Mohammed Ali Mirza.

"It is very strange that outwardly Russia announces to the whole world and to all the Parliaments that her policy is not to intervene or interfere in Persia; on the other hand, she actively interferes and her agents cause mischief in all parts of the country."

(4.)

July 31, 1911.

According to a telegraphic report received from Ardebil the Russian vice-consul at that town has sent the chief Russian merchant to the deputy governor and the chief of the police with a message that Mohammed Ali Mirza with an army of 12,000 men has arrived at a distance of one stage from Tehran; that he has 20 millions of money with him; that he has proclaimed general amnesty; that he has entrusted the Sipahdar Azam with the maintenance of order in Tehran, and that the latter has agreed to this. The message went on to say that, as the vice-consul himself has received instructions to look after the order of the town, he therefore wishes to urge the deputy governor and the chief of the police not to do various acts, as the results will [? be] detrimental to them. In view of the neutrality which they (the Russian Government) profess to maintain, one does not know how to interpret these acts. Please bring these facts at once to the notice of Sir Edward Grey and make an earnest request that His Britannic Majesty's Government may urge the Russian Government to restrain their agents from acting in this manner.

[30474]

No. 229.

Anglo-Persian Oil Company to Foreign Office.—(Received August 2.)

Sir,

*Winchester House, Old Broad Street,
London, August 1, 1911.*

I BEG to acknowledge receipt of your letter of the 26th ultimo, advising that Sir Edward Grey is agreeable to appointing Mr. E. B. Soane as unpaid vice-consul at Kasr-i-Shirin, but that in view of the disturbed condition of that part of Persia the appointment can only be made on the understanding that it does not involve any

additional responsibility on the part of His Majesty's Government for the safety of Mr. Soane.

As Mr. Soane has apparently succeeded in establishing more friendly relations with the predominant khan in that district, I have no doubt that he will be quite ready to accept the appointment on this understanding, and my board desire me to express their thanks to Sir Edward Grey for giving Mr. Soane this appointment and the moral support, as the company's representative, which will thereby be afforded to him.

Mr. Soane's full names are: "Ely Banister Soane."

I have, &c.

C. GREENWAY, *Managing Director.*

[30491]

No. 230.

Anglo-Persian Oil Company to Foreign Office.—(Received August 2.)

*Winchester House, Old Broad Street, London,
August 1, 1911.*

Sir,

I BEG to enclose copy of a telegram which I have received from our representative in Tehran, Mr. David Brown, with reference to railways.

The draft concession referred to will, I hope, be dispatched in a few days.

I have, &c.

C. GREENWAY,
Managing Director.

Enclosure in No. 230.

Mr. Brown to Mr. Greenway.

(Telegraphic.)

Tehran, July 31, 1911.

TIME(S) very favourable for putting through railway(s) concession leaving security(ies) to be arranged for later. Do you approve of? Send immediately draft concession.

[30514]

No. 231.

Sir G. Barclay to Sir Edward Grey.—(Received August 2.)

(No. 307.)

(Telegraphic.) P.

Gulahak, August 2, 1911.

ADMINISTRATOR-GENERAL of Customs and Treasurer-General.

In continuation of my telegram No. 303 of the 1st August, I have the honour to report that my German colleague has addressed a note to the Persian Government insisting that those charges on the customs in which he is interested, for example, subvention to German school, should be paid by M. Mornard. I understand that the French and Italian representatives will make a similar demand with regard to the payment of the salaries of their respective nationals in Persia. A somewhat discourteous reference to Mr. Shuster is contained in German Minister's note.

[30506]

No. 232.

Sir G. Buchanan to Sir Edward Grey.—(Received August 2.)

(No. 167.)

(Telegraphic.) R.

St. Petersburg, July 30, 1911.

SIR G. BARCLAY'S telegram No. 279 of 23rd July.

Acting Minister for Foreign Affairs is preparing answer to Persian note.

He proposes to recapitulate circumstances attending return of ex-Shah so as to show that Russia was not to blame and to point out that real responsibility rests with Persian Government, as it is owing to general discontent engendered by their failure to maintain order that His Majesty's return has been rendered possible.

He will rebut contention that Persian Government cannot be held responsible for damages consequent on His Majesty's return, and declines to entertain any such plea.

(Sent to Tehran.)

[30512]

No. 233.

Sir G. Buchanan to Sir Edward Grey.—(Received August 2.)

(No. 172.)

(Telegraphic.) P.

St. Petersburg, August 2, 1911.

MAJOR STOKES. Your telegram No. 221 to Sir G. Barclay.

I was asked to-day by M. Nératof what the position was with regard to Major Stokes's appointment. His Excellency told me that M. Poklewski had warned the Persian Government that Russia would demand an equivalent in North Persia if Stokes were employed in the Treasury gendarmerie.

I told M. Nératof of the instructions which you had sent to Tehran, and added that it would be impossible for His Majesty's Government to control Major Stokes's action if once he resigned his commission.

It is evident that Major Stokes's employment at the present moment by the Persian Government in any capacity is considered inopportune by M. Nératof, who, in speaking to me of the possibility of his being actively employed against the ex-Shah, referred to the case which occurred two years ago, when a Russian officer, wishing to take service with the Nationalists, sent in his resignation. On that occasion the Russian Government had recalled the officer to Russia, refusing to accept his resignation.

[29917]

No. 234.

Sir Edward Grey to Sir G. Barclay.

(No. 222.)

(Telegraphic.) P.

Foreign Office, August 2, 1911.

MAJOR STOKES'S appointment.

Please refer to your telegram No. 300 of the 30th July.

We have no objection here to Major Stokes resigning his commission in the Indian army, but his resignation must be submitted to the Government of India. Application should also be made to them as regards Major Stokes's pension.

A telegram has been sent to the Government of India, asking them, if they agree to Major Stokes's resignation, to telegraph their approval to you direct without delay.

[30615]

No. 235.

Messrs. F. C. Strick and Co. to Foreign Office.—(Received August 3.)

*Baltic House, Leadenhall Street, London,
July 28, 1911.*

Sir,

WE have the honour to hand you herewith copies of letters recently exchanged between his Excellency Mirza Mehdi Khan, the Persian Minister in London, and ourselves, in regard to matters connected with the Island of Hormuz.

We have, &c.

(For Frank C. Strick and Co.),
FRANK C. STRICK.

Enclosure 1 in No. 235.

Mirza Mehdi Khan to Messrs. F. C. Strick and Co.

Gentlemen,

July 5, 1911.

I HAVE to-day received a telegram from my Government instructing me to draw your attention to your undertaking with them to indemnify them against and to set aside any claims put forward by Messrs. Ellinger and Weir against the Imperial Persian Government and Muin-ut-Tujjar in connection with the oxide of iron of the Hormuz Island. I am directed to inform you that unless this undertaking is carried out within twenty days from to-day you must be responsible for any loss that may thereby come to the Persian Government.

I beg, &c.

MEHDI.

[1505]

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Enclosure 2 in No. 235.

*Messrs. F. C. Strick and Co. to Mirza Mehdi Khan.**Baltic House, Leadenhall Street, London,
July 14, 1911.*

Sir,

WE have the honour to acknowledge receipt of your Excellency's letter of the 5th instant, contents of which we have noted, and we shall reply to same in the course of the next few days.

We are, &c.
(For Frank C. Strick and Co.),
FRANK C. STRICK.

Enclosure 3 in No. 235.

*Messrs. F. C. Strick and Co. to Mirza Mehdi Khan.**Baltic House, Leadenhall Street, London,
July 28, 1911.*

Sir,

IN further reference to your Excellency's letter of the 5th instant regarding the claims of Messrs. Ellinger and Company and Andrew Weir and Company in connection with the red oxide of the Island of Hormuz, after due consideration we cannot see that we are in any way concerned.

The claims of the above firms, for whatever they are worth, can only be against the Muin-ut-Tujjar. The latter has a sufficient answer to these claims in the supplemental agreement of the 4th December, 1908, which expressly states that "in the event of hindrances by the Persian Government or their officials to the shipment of oxide the Muin-ut-Tujjar and his agents shall in no way be responsible, and the buyers have no right to claim any damage or demand delivery of oxide, and the seller may cancel the contract."

It is quite clear that the Muin-ut-Tujjar only failed to carry out the Weir/Ellinger agreement because he was prevented from so doing by the Persian Government. He has, therefore, merely to raise the defence of *force majeure* under the supplemental agreement, and the Weir/Ellinger claim on him must fail.

The Muin-ut-Tujjar can establish no claim upon your Excellency's Government in respect of his liability to Weir/Ellinger, because he is under no such liability.

From the above you will see that under the circumstances there is nothing to be done by us.

We would call your attention to the fact that our agreement is not to indemnify and set aside any claims put forward by Weir/Ellinger against your Excellency's Government and the Muin-ut-Tujjar, but merely that we undertake full responsibility for any lawful claim Messrs. Weir and Company or Messrs. Ellinger and Company may have on the seller or on the Government, and, as already pointed out, Messrs. Weir and Messrs. Ellinger have no lawful claim either against your Excellency's Government or against the Muin-ut-Tujjar.

Mr. David Brown, our agent at Tehran, has this matter in hand, and, if you wish it, we shall be happy to communicate with him on the subject and then write you again, but we do not see that there is anything to be said which would in any way alter the position we have indicated above.

We are, &c.
(For Frank C. Strick and Co.),
FRANK C. STRICK.

[30659]

No. 236.

Note communicated by M. Sevastopulo, August 3, 1911.

LES communications que nous faisait le Gouvernement persan concernant des intrigues au profit de Mohamed Ali Schah ont toujours été traitées par nous avec attention, et de sérieuses représentations ont été faites au Schah quant à la nécessité de s'abstenir de toute action dirigée contre le régime actuel en Perse. Ces représentations ont été faites non seulement pendant le séjour du Schah en Russie, mais aussi pendant qu'il était à l'étranger, quoique, d'après le sens du protocole de 1909, ceci ne constituait pas une obligation pour le Gouvernement Impérial.

D'ailleurs, le Gouvernement persan n'a jamais fourni de preuves à l'appui de ses communications, et Mohamed Ali Schah a toujours affirmé être étranger à toute agitation. Il paraissait par conséquent établi que celle-ci était conduite en dehors de Sa Majesté par d'autres personnes agissant dans son intérêt.

De toute façon, c'est avant tout au Gouvernement local, et non à un autre, qu'il appartient de lutter contre toute agitation. Or, le Gouvernement persan s'est borné à adresser des plaintes au Gouvernement Impérial, sans prendre de son côté aucune mesure dans les limites de l'Empire. C'est du moins ainsi qu'il en a été pour l'agitation parmi les Turkmans, et si cette dernière a pris des proportions telles qu'elle a rendu possible la tentative de l'ex-Schah de reconquérir son trône, la faute en est au Gouvernement persan lui-même.

En particulier, les communications de ce dernier au sujet de la présence à Bakou d'agents de Mahomed Ali ont provoqué des mesures immédiates de la part du Gouvernement Impérial. Les indications du Gouvernement persan sur une prétendue arrestation de ces agents par les autorités locales ne se sont pas trouvées confirmées, et les recherches entreprises par la police n'ont pas amené la découverte des agitateurs en question.

Pour ce qui est du voyage par la Russie du Schah, qui les derniers temps avait séjourné pendant longtemps à l'étranger, où il se trouvait en dehors de la surveillance du Gouvernement Impérial, il est évident qu'il n'était pas au pouvoir du Gouvernement Impérial de prévenir ce voyage, entrepris incognito et tout à fait à l'improviste.

Il est également à remarquer que le Gouvernement persan n'avait pris aucune mesure pour prévenir l'arrivée du Shah sur le territoire Persan, quoique c'est justement dans la steppe Turkmene qu'on redoutait, semble-t-il, son apparition.

Le Gouvernement Impérial ne saurait s'abstenir d'observer que pendant les deux ans qui se sont passés depuis le départ de Mahomed Ali, il n'a été presque rien fait par le Gouvernement persan pour le rétablissement de la paix et de l'ordre dans le pays. De constantes crises Ministérielles, une déplorable lutte des partis et le travail généralement improductif du Medjliss qui caractérisent cette période de deux ans, ont incontestablement contribué à préparer le terrain pour les intrigues de l'ex-Schah et pour son retour.

Dans ces conditions le Gouvernement Impérial ne trouve pas possible de décharger le Gouvernement persan des responsabilités pour les dommages qui peuvent être causés aux sujets russes par suite de l'apparition de Mahomed Ali Schah et continuera à le tenir pour responsable pour tout dommage que les désordres intérieurs de la Perse auront causés aux intérêts russes, tant publics que privés.

[30667]

No. 237.

Sir G. Buchanan to Sir Edward Grey.—(Received August 3.)

(No. 174.)

(Telegraphic.) P.

St. Petersburg, August 3, 1911.

MAJOR STOKES.

Your telegram No. 222 to Sir G. Barclay.

To-day's issue of the "Novoe Vremya" contains an article protesting strongly against the appointment of Major Stokes to the Treasury gendarmerie unless the employment of that force is to be confined to the British sphere. The article contends that the Persian Government's real intention is to employ him temporarily as commandant of the forces which are to be dispatched against Mohammed Ali. It maintains that the terms of the Anglo-Russian Agreement, so long as that agreement remains in force, make it unlawful for British officers to engage actively in an internal struggle taking place in the northern provinces of Persia or to render assistance in organising armed forces of any description which are destined for service in those regions.

The article says that the British Government must be held eventually responsible for the appointment of Major Stokes, since they have only to refuse to accept his resignation in order to prevent it. If they accept his resignation they will then show what a very narrow interpretation they place on the obligation not to interfere in the Russian sphere which they assumed under the agreement of 1907.

It is evident that the "Novoe Vremya" article represents the views which are held here in official circles, and I fear that it will create a bad impression here if Stokes is appointed to the "gendarmerie" without any condition being attached that he should only be employed within the British sphere. If he be allowed to take active service against the ex-Schah, the situation will be still further aggravated.

[30667]

No. 238.

Sir Edward Grey to Sir G. Buchanan.

(No. 411.)

(Telegraphic.) P.

TREASURY gendarmerie.

Please refer to your telegram No. 174 of the 3rd August.

If Major Stokes resigns his commission, it is difficult, if not impossible, for us to prevent him from taking service under the Persian Government. But his employment in northern sphere of Persia is a matter to which I agree that Russian Government are entitled to object. His Majesty's Minister at Tehran will be instructed, should the Russian Government wish to present objection to Persian Government against such employment, to inform Persian Government that the objection is one which they should take into account, as it is reasonable and was to be expected, and that His Majesty's Government can take no exception to it.

Foreign Office, August 3, 1911.

[30788]

No. 239.

Anglo-Persian Oil Company to Foreign Office.—(Received August 4.)

*Winchester House, Old Broad Street,
London, August 3, 1911.*

Sir,

I AM obliged for your letter of the 1st instant, on the subject of the Karguzar of Mohammerah, and note the difficulty in regard to carrying out the request contained in my letter of the 24th ultimo.

I am pleased to say, however, that the difficulty has solved itself, for my letters received this mail advise that the Karguzar has, for financial reasons, removed himself to Turkish territory, and that the Persian Government have already appointed a successor.

In the circumstances, it will therefore be unnecessary to trouble His Majesty's Minister at Tehran in the matter.

I am desired by my Board to thank Sir Edward Grey for the kind attention which he has given to their representations.

I have, &c.

C. GREENWAY,

Managing Director.

[30789]

No. 240.

Anglo-Persian Oil Company to Foreign Office.—(Received August 4.)

*Winchester House, Old Broad Street,
London, August 3, 1911.*

Sir,

I BEG to acknowledge receipt of your letter of the 1st instant, advising that a telegram has been received from His Majesty's Minister at Tehran, reporting that His Majesty's consul at Mohammerah, who has been investigating the position at Kasr-i-Shirin, found it undesirable to visit Kerim Khan, and that he is of opinion that the only remedy for the evil which has arisen lies in the removal of that chief.

With this opinion my Board fully concurs, and they are very pleased to learn that Sir George Barclay states that he will see what he can do to secure Kerim Khan's removal as soon as the Persian Government are in a position to restore some measure of authority in their provinces.

I have, &c.

C. GREENWAY,

Managing Director.

[30825]

No. 241.

Sir G. Barclay to Sir Edward Grey.—(Received August 4.)

(No. 308.)

(Telegraphic.) R.

Tehran, August 4, 1911.

ARDESBIRJI EDULJEE, representative in Persia of the Indian Parsees, tells me that trustees of the N.M. Wadia charity fund are about to found a school in Tehran, and asks that it may be under British protection.

All expenses of school will be defrayed by trustees through Persian Zoroastrian Amelioration [sic] Association of Bombay.

I see no objection, and would propose to assent subject to your approval.

(Repeated to India.)

[30826]

No. 242.

Sir G. Buchanan to Sir Edward Grey.—(Received August 4.)

(No. 175.)

(Telegraphic.) P.

St. Petersburg, August 4, 1911.

MAJOR STOKES.

I spoke to M. Nératof this afternoon on the subject of Stokes's appointment in the sense of your telegram No. 411 of the 3rd August. His Excellency replied that Russia had already lodged a protest with the Persian Government, and had warned them that she would require an equivalent of some kind in North Persia. He expressed his thanks for your offer to support any objections to Major Stokes's employment in North Persia which Russia might decide to make at Tehran, but he said that he feared that such action might draw from the Persian Government the retort that the division of Persia into spheres of influence in accordance with the terms of the Anglo-Russian Agreement was no concern of theirs. He promised, however, to think the matter over with a view to discovering a formula that might obviate this difficulty and might at the same time be acceptable to His Majesty's Government.

M. Nératof did not conceal the fact that the incident was causing him much preoccupation and embarrassment. While personally realising that His Majesty's Government are not behind Major Stokes, he fears that a different interpretation will be put on the matter by public opinion in this country. It was not likely, he said, that the Persian Government would trouble themselves about organising a Treasury gendarmerie at a moment when they were fighting for their very existence, and he believed that their intention was to make use of Stokes in active service against the ex-Shah. Such an eventuality ought to be prevented at all costs, and he suggested whether it would not be possible for His Majesty's Government, on some pretext connected with the service, to recall Stokes temporarily to London. He referred once more to the Darab Nirza incident, the case in which a Russian officer had last year wished to take service against the Government of Tehran and had been recalled to Russia (in my telegram No. 172 this incident was incorrectly reported as having occurred two years ago).

I said that when once Major Stokes had resigned his commission His Majesty's Government had no further control over him, but M. Nératof begged me to try and find out whether there was no possibility of getting over this difficulty.

Newspapers of reactionary tendencies welcome what they term "the violation by Great Britain of the Anglo-Russian Agreement," on the ground that it gives Russia a free hand for active intervention in Persia. If Stokes were to take part in any military movement against the ex-Shah it would be very difficult, I fear, for the Russian Government to resist taking some action.

[28384]

No. 243.

Sir Edward Grey to Sir G. Barclay.

(No. 224.)

(Telegraphic.)

Foreign Office, August 4, 1911.

YOUR telegram No. 265 of 20th July.

I presume you have held Persian Government responsible.

[30201]

No. 244.

Foreign Office to India Office.

Sir,

Foreign Office, August 4, 1911.

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a letter from the London All-India Moslem League,* forwarding copy of a resolution adopted by that society calling on His Majesty's Government to intervene with a view to induce the ex-Shah of Persia to abandon his attempt to regain the throne of that country.

Sir E. Grey would propose, with the concurrence of the Marquess of Crewe, to reply to this communication by a mere formal acknowledgment of its receipt.

I am, &c.

W. LANGLEY.

[30947]

No. 245.

Board of Trade to Foreign Office.—(Received August 5.)

Sir,

Board of Trade, August 4, 1911.

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 26th July enclosing draft of a communication which it is proposed to address to Messrs. Frank C. Strick and Co. in connection with the shipment of red oxide from Hormuz, and in reply I am to suggest, for the consideration of Sir E. Grey, that the paragraph commencing on the fourth page and concluding on the final page of the draft might be modified so as to read somewhat as follows:—

"The proposal to deliver the unsold stock of oxide to you at its cost price would, if accepted, enable the present claim of Messrs. Weir to be diminished by the amount thus realised, and leave a balance representing mainly the loss of ordinary profit on handling the oxide, while Messrs. Ellinger's claim in respect of commissions would remain substantially as at present. The aggregate balance of claims would thus amount to about 10,000*l.*, and the value of the 5,218 tons of oxide, which it is proposed that the Persian Government should deliver free to Messrs. Weir and Ellinger, will apparently offset these aggregate claims apart from minor adjustments."

I am further to suggest that it might be desirable to insert, in the paragraph preceding that to which reference is made above, a statement that against the claim of Messrs. Weir there is to be brought into account the price realised on sales of oxide from the stock held by them on the 1st October, 1910, while interest, storage charges, &c., since that date will constitute an addition to the amount claimed.

I am, &c.

GEO. J. STANLEY.

[30939]

No. 246.

India Office to Foreign Office.—(Received August 5.)

Sir,

India Office, August 5, 1911.

WITH reference to your letters dated the 18th and 20th July, 1911, respectively, regarding the subsidy allowed to the Euphrates and Tigris Steam Navigation Company for the working of their steam-ship "Malamir" on the Karun River, I am directed by the Secretary of State for India to offer the following observations.

The arrangement with the company in recent years has been that they should receive an annual subsidy to cover actual loss not exceeding a maximum sum of 1,000*l.*, and they were informed, as stated in your letter dated the 12th April, 1911, that the arrangement would only continue till the 31st December, 1910. The company's Karun service having for the first time earned a surplus in the year 1910, the condition on which the subsidy would be payable to them for that year is not fulfilled, but it is proposed on equitable grounds that the subsidy should nevertheless be paid.

* No. 215.

In the opinion of the Marquess of Crewe the company have no claim to the subsidy for 1910, but he thinks there is force in the view of His Majesty's consul-general at Bushire, as stated in the telegram from His Majesty's Minister at Tehran, dated the 19th July, and he sees no objection to the grant of the subsidy up to the 31st December, 1910, if Secretary Sir E. Grey should think fit to give it.

It is understood that the precise amount will be calculated in the Foreign Office before payment is made, as the expression in the company's letter, "instalment of 1,500*l.* available for that year" (i.e., 1910), appears to suggest that payment of the sum due for the latter half of the year 1909 (viz., 500*l.*) is in arrear.

If the subsidy is hereafter discontinued it will be equitable, for the reasons mentioned in the letter from this office dated the 11th May, 1911, that Indian revenues shall participate in the relief thence arising.

I am, &c.

LIONEL ABRAHAMS.

[30942]

No. 247.

Sir G. Barclay to Sir Edward Grey.—(Received August 5.)

(No. 309.)

(Telegraphic.) R.

SHIRAZ.

Tehran, August 5, 1911.

Governor-General has been recalled, and commander of forces in Shiraz has been appointed deputy governor.

Acting consul hears that Governor-General refuses to recognise these orders.

[30943]

No. 248.

Sir G. Barclay to Sir Edward Grey.—(Received August 5.)

(No. 310.)

(Telegraphic.) R.

Tehran, August 5, 1911.

EX-SHAH is reported to be at Ashraf, on the way to Sari, capital of Mazanderan.

I do not know what force is with him, but His Majesty's consul-general at Meshed hears that he has recruited large body of bad characters, mostly Russian subjects.

[30944]

No. 249.

Sir G. Barclay to Sir Edward Grey.—(Received August 5.)

(No. 311.)

(Telegraphic.) R.

Tehran, August 5, 1911.

YOUR telegram No. 224 of 4th August.

I at once informed Persian Government, requesting dispatch of immediate instructions for recovery of Zieglers' goods, or in default of their recovery for payment of their value.

[30951]

No. 250.

Sir G. Barclay to Sir Edward Grey.—(Received August 5.)

(No. 312.)

(Telegraphic.) R.

Tehran, August 5, 1911.

MY telegram No. 283 of 24th July: Shiraz.

Soulet has sent strong orders to his tribe to refrain from pillage.

[30338]

No. 251.

Foreign Office to India Office.

Sir,

Foreign Office, August 5, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 31st ultimo relative to the application of the Persian railways syndicate to the Government of Persia for concessions to construct railways in that country.

I am to state that, in Sir E. Grey's opinion, Mr. Greenway might think it discourteous if no reply were returned to his letter of the 15th ultimo, but that in view of the considerations advanced in your communication the answer to that gentleman will take the form desired by the Marquess of Crewe, and not that suggested in the letter of the 24th ultimo from this Office.

I am, however, to observe in this connection that, so far as Sir E. Grey is aware, the syndicate have no intention of applying for concessions in respect of the three extensions in question at this moment, and that the lines with which their present application is concerned lie entirely outside the Russian sphere, and would therefore, from the point of view of the Persian Government, be open to the second of the two objections mentioned in your letter.

I am, &c.

LOUIS MALLET.

[30338]

No. 252.

Foreign Office to Mr. Greenway.

Sir,

Foreign Office, August 5, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 15th ultimo, forwarding copy of the memorandum handed by you to the Persian special representative at the Coronation and to the Persian Minister at this Court, giving a sketch of the proposals of the Persian railways syndicate with regard to railway construction in Persia.

I am to express to you Sir E. Grey's thanks for this communication, and to state he finds nothing in the memorandum to which His Majesty's Government could object.

I am to point out, however, with regard to the proposed extensions of the first three of the projected lines, of the intended construction of which Sir E. Grey now hears for the first time, that they will end at points touching, or within, the border of the Russian sphere of influence in Persia, and that Sir E. Grey accordingly presumes that in view of the terms of article 1 of the Anglo-Russian Arrangement of the 31st August, 1907, the syndicate will not ask for the support of His Majesty's Government in connection with them.

Sir E. Grey understands that the syndicate have no intention of applying immediately for concessions to build these extensions.

I am, &c.

LOUIS MALLET.

[30953]

No. 253.

Sir G. Buchanan to Sir Edward Grey.—(Received August 6.)

(No. 176. Urgent.)

(Telegraphic.) P.

MAJOR STOKES.

St. Petersburg, August 5, 1911.

I was sent for this afternoon by M. Nératof, who told me that further reflection on the Stokes affair only led him to hope more than ever that you might still be able by some means to secure Major Stokes's temporary recall. He thought there must still be some formalities in connection with his resignation which might enable you to prevent its taking immediate effect.

The incident was to be regretted, because it allowed the whole world to see disagreement of a serious kind between the two Governments, while it was inevitable that a false interpretation would be put on it in Russia. Moreover, Major Stokes's

appointment was in direct contravention of the principles hitherto followed by the two Governments—that no important post in the Persian service should be held by the subject of any European Great Power.

If it was impossible for you to act as he suggested, then some step must be taken to satisfy public opinion here, and demonstrate at the same time the solidarity existing between Russia and Great Britain in Persia. To this end he suggests that he should instruct M. Poklewski to address a note in the following sense to the Persian Government:—

Russia regards as incompatible with her interests the proposal to appoint Major Stokes to organise a force of gendarmerie destined for service in Northern Persia, as well as in other parts of the Persian Empire. She therefore protests against it. The Russian Government would regard the appointment, if made, as an unfriendly act, and reserve to themselves the right to take such measures as they may consider necessary to safeguard Russian interests in Northern Persia.

M. Nératof suggests that Sir G. Barclay should at the same time inform the Persian Government in a note that His Majesty's Government are in full agreement with the terms of the Russian note, that His Majesty's Government regret that the Persian Government should have invited Major Stokes to enter their service without informing them beforehand, and that they recognise the right of Russia to take such steps as she may consider necessary in order to safeguard Russian interests in Northern Persia.

I pointed out that the terms of the proposed Russian note practically threatened intervention, and I said that His Majesty's Government might therefore find it difficult to express entire concurrence in them. I suggested a formula of a milder and more conciliatory type, but I failed to move M. Nératof, who said that his Government would be obliged to intervene if Russian interests were threatened.

M. Nératof is instructing Count Benckendorff to speak to you on the subject on Monday. He is to see the Emperor on Tuesday, and is most anxious to have a reply before his audience.

[30955]

No. 254.

Sir G. Barclay to Sir Edward Grey.—(Received August 6.)

(No. 313.)

(Telegraphic.) Decode.

Tehran, August 6, 1911.

MY telegram No. 309 of 5th August.

Following received from Shiraz, No. 247:—

"Nizam now seems bent on resisting dismissal. He has received reinforcement of Kashgais and villagers, and is now making attempt to organise demonstration in favour of his retention in office. He is trying [?] to force merchants into [?] this under threat of pillage of bazaars and a blockade of Bushire road."

[30956]

No. 255.

Sir G. Barclay to Sir Edward Grey.—(Received August 6.)

(No. 314.)

(Telegraphic.) Decode.

Tehran, August 6, 1911.

MY telegram No. 310 of 5th August.

Ex-Shah arrived Sari.

[30555]

No. 256.

Sir Edward Grey to Sir G. Barclay.

(No. 225.)

(Telegraphic.) R.

Foreign Office, August 6, 1911.

YOUR despatch No. 124.

I agree that no answer to note is required.

[30957]

No. 257.

Sir G. Barclay to Sir Edward Grey.—(Received August 7.)

(No. 315.)

(Telegraphic.) P.

Gulahek, August 7, 1911.

MAJOR STOKES and Treasury gendarmerie.

I have the honour to make the following observations in connection with Major Stokes's appointment and the possible intervention of Russia in Persia :—

If Mohammad Ali Mirza comes to Tehran he will probably be accompanied by a body of Turcomans or other lawless tribesmen, who will constitute a danger of a very different nature from that offered by the Bakhtiari at the time of the last revolution. Should the Russian Government in such circumstances urge the necessity for the presence of their troops in the capital, I submit that we would find it difficult to affirm that the lives and properties of Europeans would be secure without their presence, and that any gendarmerie force which might by then have been constituted would in no way affect this eventuality.

[30958]

No. 258.

Sir G. Barclay to Sir Edward Grey.—(Received August 7.)

(No. 316.)

(Telegraphic.) P.

Gulahek, August 7, 1911.

SHIRAZ.

His Majesty's acting consul at Shiraz has been approached by the Governor-General, who informs him that he has been assured by his allies of the League of the South that they will uncompromisingly oppose existing Ministry (for details on this league please refer to "Persia Annual Report for 1910," top of p. 16). Nizam-es-Sultaneh states that the present policy of league is either to throw in their lot with Mohammad Ali Mirza, or, preferably, to form Southern Persia into a separate State.

Governor-General says that he and his allies will pursue any course that His Majesty's Government may direct, and he will postpone his reply to Soulet-ed-Dowleh and the Sheikh of Mohammerah for two days in order to allow us to give him a sign.

His Excellency adds that Soulet-ed-Dowleh has been assured of their support by the Haji Ilkhani branch of the Bakhtiari (please refer to Annual Report, p. 37). As the Central Government are counting on Amir Mufakkam, a member of this branch of the Bakhtiari and the present Governor of Luristan, to check Salar-ed-Dowleh at Kermanshah, this information is interesting.

In reply I have instructed Mr. Knox to inform Governor-General that I am unable to countenance any attempt to rebel or to disintegrate Persia either on his part or on the part of his allies.

[30953]

No. 259.

Sir Edward Grey to Sir G. Barclay.

(No. 226.)

(Telegraphic.) P.

Foreign Office, August 7, 1911.

MAJOR STOKES'S appointment.

It is clear from St. Petersburg telegram No. 176 of the 5th August that a serious political question will arise if Major Stokes is appointed to control gendarmerie in North Persia. Warning should be given by you to Persian Government that they ought to drop the question of his appointment unless they intend not to employ him in North Persia, and that His Majesty's Government will recognise Russia's right to safeguard her North Persian interests as she thinks necessary if they persist in appointing him under such conditions.

[30953]

No. 260*.

Sir Edward Grey to Sir G. Buchanan.

(No. 419.)

(Telegraphic.) P.

Foreign Office, August 7, 1911.

WARNING conveyed to Persian Government in my telegram No. 226 A to Sir G. Barclay of to-day may be communicated to Russian Government, who should be told we will await the result, and that I am enquiring whether temporary recall of Major Stokes, as suggested (according to your Excellency's telegram No. 176 of the 5th August) by the Acting Minister for Foreign Affairs, would be feasible.

For us to support the employment of Major Stokes in the northern provinces or to deprecate Russian objections would, I agree, be contrary to the spirit of our convention, but it would be impossible for me to deprecate his employment in any part of the country, in view of the fact that we pressed the Persian Government last winter to organise a force under British officers for the protection of the trade of the southern provinces. The Russian Government moreover knew, I believe, of our action, and offered no objection to it.

[1505]

2 P*

[30953]

No. 260.

Sir Edward Grey to Sir G. Barclay.

(No. 227.)

(Telegraphic.) P.

Foreign Office, August 7, 1911.

MAJOR STOKES'S appointment.

Please inform Major Stokes of the terms of warning you were instructed to give to Persian Government in my telegram No. 226 of to-day. Persian Government could not possibly uphold Major Stokes's appointment if Russia intervened, and, unless his appointment is restricted to South Persia, we cannot deprecate their intervening to prevent it. The Russian Government have as good a right to protest against his being placed in control of gendarmerie in North Persia as we should have to protest against a control of the southern trade routes by Russians.

Do not make any communication to Major Stokes concerning the acceptance of his resignation if you have not already done so. I am making enquiries of India Office as to what possible means there may be of suspending acceptance.

[31130]

No. 261.

Sir G. Buchanan to Sir Edward Grey.—(Received August 8.)

(No. 225.)

Sir,

St. Petersburg, August 3, 1911.

I HAVE the honour to report that to-day's "Novoe Vremya" publishes an article on the proposed appointment of Major Stokes to command the new Persian Treasury gendarmerie. The article is entitled "An undesirable complication." The article begins by sketching Mr. Shuster's proposal, and goes on to compare the position of the commander of the gendarmerie to that of Russian officers who have been in the service of the Persian Government. The "Novoe Vremya" considers that the adoption of Major Stokes of the rôle of commander of the forces being dispatched against the ex-Shah is incomparably more dangerous for the maintenance of good Anglo-Russian relations than was the participation of Russian officers in the events which took place at Tehran two years ago. The Russian officers were not specially invited to take the field against political opponents. The outbreak of trouble found them at posts which duty and honour forbade them to vacate apart from all considerations of party politics; but Major Stokes is being engaged specially for the purpose of leading the troops of one party against those of another. The part which he is playing is not one which should be played by a British officer, for he is acting like a "hired condottiere." Moreover, the Russian officers' activities were limited to a sphere placed by the Anglo-Russian agreement under Russian influence, while Major Stokes is acting outside the sphere assigned by that agreement to British influence.

While the Anglo-Russian agreement of 1907 remains in force Russia would not permit herself to mix in events which were taking place in the British sphere. Equally it cannot be considered legal or tolerable that British officers should take part in military operations in northern Persia.

Russia does not wish to prevent the Persian Government from taking into its service any roving adventurers; but she does object to the participation, indirect though it may be, of a friendly Government in such an appointment. The "Novoe Vremya" continues: "Major Stokes is not a 'nobody.' He is a British military attaché in Tehran. He cannot leave British service unless he has received the assent of the British War Office to his retirement. . . . Thus, the entry of Major Stokes into the Persian service is without a doubt entirely dependent on the wishes of the British Government. If it does not approve of the decision of a military attaché in its service to embark on adventures which threaten to cast a shadow on the good relations existing between England and Russia, then Major Stokes will withdraw his resignation. If, on the other hand, his resignation is accepted, the British Government will show that it interprets its obligation of political non-intervention in the Russian sphere in Persia very conditionally."

The article points out that it is only Major Stokes's official position and the assent of the British Government to his new appointment to which Russia takes exception; to the personal side of the question she is entirely indifferent.

The "Novoe Vremya" concludes by emphasising the immense importance of the Anglo-Russian entente and the necessity of carrying out its provisions with especial

scrupulousness. The last sentence of the article runs: "The incident with Major Stokes may introduce into Anglo-Russian relations, as far as they are connected with the 1907 agreement, substantial limitations equally disadvantageous to both parties."

I have, &c.

GEORGE W. BUCHANAN.

[31131]

No. 262.

Sir G. Buchanan to Sir Edward Grey.—(Received August 8.)

(No. 226.)

Sir,

St. Petersburg, August 4, 1911.

WITH reference to my immediately preceding despatch of yesterday's date, I have the honour to report that the "Novoe Vremya" publishes a further article on the subject of Major Stokes in its issue of to-day. The article begins by reminding its readers that in May last year the Persian prince, Sharukh Darab Mirza, who was in the Russian service and commanded a sotnia in a Cossack regiment, decided to enter the arena of Persian politics. He obtained leave of absence, left his sotnia at Kazvin, sent in his resignation, and raised the standard of revolt against the Tehran Government. But the Russian Government, in pursuance of a policy of non-interference in Persian affairs, refused to accept his resignation, and even sent troops after him to compel him to return. Not until he was escorted into Russian territory (where he still is) was his resignation accepted. In this manner did Russia deal with an attempt by a Persian prince in her service to interfere in Persian party politics. But Major Stokes, ex-military attaché at Tehran, is a British officer and not a Persian prince, and it is therefore much simpler and easier to know how to treat him. If the British Government regard the agreement of 1907 half so seriously as does the Russian Government, then the end of the major's escapade could be accurately foretold. He would not be allowed to retire, and would be informed that he must not interfere in a matter which did not concern him. If, in spite of everything, he should desert, the Indian troops at the British Legation at Tehran should treat him as the Cossacks did the Persian prince. He would be arrested. But, of course, the matter would never go as far as this. One word from the British Minister would be enough to stop the officer from entering the Persian service in a capacity which would contravene the spirit and the letter of the Anglo-Russian convention. The "Novoe Vremya" expresses the hope that His Majesty's Government will do all in its power to prevent this "ridiculous adventure." The article concludes with the words: "By the way, what will the British Government do if Mohamed Ali Shah takes Major Stokes prisoner and orders him to be impaled? They would probably remember then that Major Stokes was a British subject. But would it not be better to remember this now?"

I have, &c.

GEORGE G. BUCHANAN.

[31335]

No. 263.

Sir G. Lowther to Sir Edward Grey.—(Received August 8.)

(No. 555.)

Sir,

Therapia, August 5, 1911.

I HAVE the honour to report that His Majesty's consul at Bussorah telegraphed to me on the 3rd instant that he had been told by the vali that 600 Persian brigands had crossed into Ottoman territory and had got as far as Ezra's Tomb, on the Tigris.

On the 4th instant Mr. Matthews reported that the brigands in question, under a certain Abdul Kerim, were crowding the marshes from Hawizeh; that they had attacked a grain lighter, which arrived at Bussorah on that night, and severely wounded one of the crew; and, moreover, that seventeen lighters belonging to a British firm are unable to leave Ezra's Tomb.

I am calling the attention of the Sublime Porte to this lamentable state of affairs.

I have, &c.

GERARD LOWTHER.

31326]

No. 264.

Sir G. Buchanan to Sir Edward Grey.—(Received August 8.)

(No. 178.)

(Telegraphic.) P.

St. Petersburg, August 8, 1911.

MAJOR STOKES.

Your telegram No. 419 of the 7th August.

I saw M. Nératof again this afternoon, and had a long conversation with him about Major Stokes's appointment. He is still much preoccupied as to the consequences which may result, unless public opinion here can be given some moral satisfaction. He doubts whether the warning which Sir G. Barclay is to address to the Persian Government will induce them to modify the terms of their original contract with Major Stokes.

I said that I did not see what further action you could take at present, and that the only course for the time being was to await the Persian Government's reply. He remarked that he was thinking more of public opinion in this country than of the Persian Government, and I asked whether he wished to make any suggestion.

He said that it would be difficult to prevent the Persian Government, even if they did agree to confine Major Stokes's command to the southern provinces, from employing the gendarmerie which he was to organise, either with or without its commander, in the northern provinces. It might therefore be tranquillising to Russian public opinion if His Majesty's Government were to make a public statement to the effect that this southern gendarmerie would in no circumstances be employed in the northern provinces.

To this I replied by pointing out that, though you might find it possible to make a statement to the effect that the services of Major Stokes would not be employed in the northern provinces, it would be very difficult, I thought, for you to declare that it would never be permissible for the Persian Government to avail themselves of a force which was under their own orders in order to put down disturbances, should the situation require it, in any part of the country.

M. Nératof then made the suggestion that, in the event of the command of the gendarmerie for the south being entrusted to Major Stokes, His Majesty's Government should announce that they were ready to support any demand which Russia might eventually make that the gendarmerie for the north should be organised either by a Russian officer or by the subject of some minor Power nominated by the Russian Government.

I said that this second suggestion of his seemed to me, personally, to be preferable to the other, but that I did not know what the views of His Majesty's Government would be.

Later on, M. Nératof referred again to the possibility of the Persian Government refusing to modify the national character of the command to be given to Major Stokes, and suggested that, in that case, His Majesty's Government might declare that, if Russia were to put forward a claim for a similar appointment for one of her own officers (for example, that of chief of the staff), such claim would be supported by His Majesty's Government. On my remarking that the Persian Government were not likely to consent to this, his Excellency said that it was only a possible eventuality, and that his Government had no intention of putting in such a claim at present. All he wanted just now was that you should make some statement, either in the press or in the House of Commons, which would serve to calm public opinion in this country.

[31324]

No. 265.

Sir G. Barclay to Sir Edward Grey.—(Received August 8.)

(No. 317.)

(Telegraphic.) R.

Tehran, August 8, 1911.

EX-SHAH is reported to have with him at Sari force of 1,000 men and three guns. Another force under Sardar Arshad has been advancing along Shahrud-Tehran road. Russian consul at Asterabad reports that latter has entered Damghan after severe fighting with a force of Government troops.

(Sent to India.)

[30958]

No. 266.

Sir Edward Grey to Sir G. Barclay.

(No. 229.)

(Telegraphic.) R.

Foreign Office, August 8, 1911.

YOUR telegram No. 316 of 7th August: League of the South.

I approve the terms of your instruction to acting consul.

[29943]

No. 267.

Foreign Office to Messrs. Ellinger and Co.

Gentlemen,

Foreign Office, August 8, 1911.

WITH reference to the letter from this Office of the 7th June last, enclosing translations of documents bearing on the question of the validity of Muin-ut-Tujjar's concession for the working of minerals on the coast and islands of the Persian Gulf, I am directed by Secretary Sir Edward Grey to inform you that he has received a despatch from His Majesty's Minister at Tehran, who has now had the opportunity of perusing these papers, offering some observations on the subject.

With regard to the list of documents in the case to be found on p. 1 of the newspaper reports (Enclosure 1 in your letter), Sir G. Barclay points out that document No. 2, the Royal firman dated 1312 (1894 or 1895), granting the mines to Malik-ut-Tujjar for ten years, is the main authority by which Muin, in virtue of the transfer made to him in 1897 (document No. 3), came originally into possession of the mines. According to the newspaper reports, it would seem that the firman of 1312 was actually produced and read to the Committee of the Medjliss, but as a matter of fact the Oriental Secretary of His Majesty's Legation has satisfied himself at an interview with Muin that the only firmans produced were those published in the pamphlet, and this statement is borne out in the pamphlet itself on p. 48 in the passage quoted by you to the effect that "the originals of the firmans published in this brochure are temporarily lent to the Medjliss."

The only firmans published in the pamphlet are—

(a.) No. 6 (see list of documents on p. 1 of newspaper reports). The firman dated 1315 (1898), which confirms Nasr-ed-Din's firman, that of 1312, and explicitly states that the latter was for the period of ten years. It annuls the concession wrongly given to Malcolms, and incidentally raises the taxes.

(b.) No. 7. The firman dated 1322 (1904), confirming the Muin's rights under the ten-year concession of 1312, which apparently had not yet expired (the ten years, it would seem, dated from 1313), raising the rate of taxation, but mentioning no period of time. The interpretation of this firman, translation of which is in your possession, was the real point of dispute between the Muin and the Persian Government.

(c.) No. 8. Autograph of the late Shah, enjoining on the heir in His Majesty's absence in Europe to execute the above.

Sir G. Barclay states that he touches on the question of the production of the originals of the firmans, as you seem to attach importance to it, but that he does not well understand what difference it makes whether the originals are produced or not, as the facts are not in dispute.

On p. 20 of Muin-ut-Tujjar's pamphlet he writes that in the year 1307 (1889) a firman was issued (No. 1 on p. 1 of newspaper report) allotting the island to Hajji Nakhoda Ali for a term of five years, and that after the expiration of the five years (i.e., in 1312) Hajji Jafar (latterly called Malik-ut-Tujjar) obtained a firman for a term of ten years (document No. 2), which was two years afterwards transferred to Muin-ut-Tujjar under the same conditions (document No. 3).

Then followed the Malcolm incident, the upshot of which is known to you, and which ended in the confirmation of Muin's rights under the firman of 1312.

With reference to this incident, you state in your letter that you have heard that "after judgment had been given in favour of the Muin the firman had been endorsed by the British Legation at Tehran," &c., and that "you will find that reference is made to this in the report of the proceedings of the Medjliss Committee, wherein the firmans submitted to the committee are enumerated, in one of which, the Royal firman

dated 1897, there is said to be a marginal note signed by the English Minister declaring that the concession belongs to the Muin-ut-Tujjar."

The firman of 1314 (1897) was the firman (document No. 4 of the list) wrongly granted to Malcolm, and according to Muin's account (p. 24 of the pamphlet) "Malcolm's original firman was delivered to me by the Ambassador, who wrote on its margin its invalidity."

Sir G. Barclay does not see how the production of this firman can assist Muin's case, as there is no dispute that the verdict of the enquiry was to replace Muin in possession of his undoubted rights under the firman of 1312.

On pp. 25 and 26 of his pamphlet Muin describes the circumstances in which, before the expiry of his lease, efforts were made to increase the taxation payable by him, and the indefinite firman of 1322 (1904) was eventually granted to him, confirming his rights in terms which he interprets as "in perpetuity."

On p. 37 Muin again refers to this firman, and discusses the point that no limit of time was fixed in its terms, but nowhere does he base his claim to the continued possession of the mines on any other firman than that of 1322 (1904), and nowhere does he dispute that the firman of 1312, of which the original is not forthcoming, was restricted to ten years.

The whole question then really turns on the interpretation of the firman of 1904, the terms of which are in your possession, and neither in the debates in the Medjliss nor in Muin's pamphlet are any convincing arguments brought forward that the phrase "and onward," as it appears in the translation furnished by you, or "henceforth," as appears in the legation translation, should in itself confer perpetuity, and there is no other ground advanced by Muin or his supporters for his continued possession, save his moral rights to a priority from the Government in the future disposal of the mines. The speech, reported on p. 6 of the newspaper report, of Montassar-ul-Sultan seems to give a just résumé of the case.

The matter ended, as stated in the letter from this Office of the 7th June last, in a compromise, which consisted in the payment to Muin of 1*l.* per ton on the oxide already mined at the time the Government took possession of the mines up to 24,000*l.*

Sir G. Barclay expresses the opinion that both the debate in the Medjliss and Muin's own pamphlet fully confirm the account given by the Vekil-ul-Roaya to Mr. Marling, communicated to you in the letter from this Office of the 24th June, from which it appears that Muin's original lease had expired in 1905, i.e., before the date on which he concluded his contract with Messrs. Weir. Whether the firman of 1904 entitled Muin to make contracts for a term of years beyond 1905 is the point at issue, and Muin's agreement with Messrs. Weir that he should not be liable for damages in the event of the Persian Government dispossessing him point, in Sir G. Barclay's view, to Muin's own doubt on the subject.

Sir G. Barclay considers that insistence on the production of originals serves no useful object, as the firman of 1904 and no other is the subject of dispute.

I am, &c.

LOUIS MALLET.

[29695]

No. 268.

Foreign Office to Messrs. Ellinger and Co.

Gentlemen,

Foreign Office, August 8, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 27th ultimo, requesting his consent to the communication to Muin-ut-Tujjar of certain correspondence which has passed between you and this Office relative to the shipment of red oxide from Hormuz.

I am to state in reply that Sir E. Grey has no objection to your proposed action.

I am, &c.

LOUIS MALLET.

[31422]

No. 269.

Sir G. Barclay to Sir Edward Grey.—(Received August 9.)

(No. 318.)

(Telegraphic.) R.

Tehran, August 9, 1911.

YOUR telegram No. 221 of 1st August.

I made communication as instructed on 2nd August, leaving *aide-memoire* with Minister for Foreign Affairs. His Excellency promised me a reply in writing, which I have now received.

Reply states that Persian Government do not intend to employ Major Stokes in any military operations.

As regards my mention of "north of Persia," reply says: "Collection of taxes is equally necessary in Northern and Southern Persia, and in the eyes of the Persian Government there is no difference between these two regions."

[31368]

No. 270.

Sir G. Barclay to Sir Edward Grey.—(Received August 9.)

(No. 320.)

(Telegraphic.) P.

Gulahek, August 9, 1911.

SITUATION at Shiraz.

In continuation of my telegram No. 309 of the 5th August, I have the honour to report that the Persian Government have now decided not to recall Nizam from Shiraz. He therefore remains Governor-General.

[31480]

No. 271.

India Office to Foreign Office.—(Received August 10.)

Sir,

India Office, August 9, 1911.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 4th instant, and, in reply, to say that he concurs in the proposal of the Secretary of State for Foreign Affairs to send nothing more than a formal acknowledgment of receipt of the resolution of the London All-India Moslem League regarding the internal affairs of Persia.

I am, &c.

LIONEL ABRAHAM.

[31522]

No. 272.

Anglo-Persian Oil Company to Foreign Office.—(Received August 10.)

*Winchester House, Old Broad Street,
London, August 9, 1911.*

Sir,

I BEG to enclose copy of telegram which I received yesterday from Mr. D. Brown with reference to the application for railway concessions.

I have, &c.

C. GREENWAY,
Managing Director.

Enclosure in No. 272.

*Mr. Brown to Mr. Greenway.**Tehran, August 5, 1911.*

THERE is strong feeling (?) here in favour of pressing through measure(s) to secure(s) development(s) of country in event of any political change (?). It is essential, therefore, that you telegraph immediately draft(s) contract in order that I may press(es) forward without delay(s). To ensure secrecy telegraph via Eastern.

[31326]

No. 270*.

Sir Edward Grey to Sir G. Buchanan.

(No. 427.)

(Telegraphic.) P.

Foreign Office, August 9, 1911.

YOU reported in your telegram No. 178 of yesterday that Acting Minister for Foreign Affairs wanted me to make a statement in House of Commons or press about Stokes affair. You should inform him of what I said in House yesterday. Add that, pending Persian answer, the appointment is suspended, and will, in view of our last representation, probably be dropped altogether. You may say that, if not, we will support a demand by Russia for employment in Northern Persia of gendarmerie under a Russian officer or the subject of a minor Power suggested by her, though the appointment of an officer, the subject of a neutral Power, to command the whole revenue gendarmerie would, in my opinion, offer the best solution.

[1505]

2 Q*

[31524]

No. 273.

Sir G. Barclay to Sir Edward Grey.—(Received August 10.)

(No. 319.)

(Telegraphic.) P.

Gulahek, August 9, 1911.

MAJOR STOKES and Treasury gendarmerie.

In reply to your telegram No. 226 of the 7th August, I have the honour to report that I made a communication to the Minister for Foreign Affairs in accordance with your instructions, leaving an *aide-mémoire* with his Excellency. Minister for Foreign Affairs promised to reply in writing.

In the course of conversation I suggested to Minister for Foreign Affairs that a solution of the difficulty would be found by confining Major Stokes's appointment to Southern Persia. His Excellency stated, however, that this suggestion could not be entertained by Persian Government.

It is evident that his reason is that such restriction of the appointment would be tantamount to a recognition of the spheres of interest under the Anglo-Russian agreement.

[31561]

No. 274.

Sir G. Buchanan to Sir Edward Grey.—(Received August 10.)

(No. 179.)

(Telegraphic.) P.

St. Petersburg, August 10, 1911.

RUSSO-GERMAN negotiations. My despatch No. 201 of the 12th July.

(Secret.)

M. Nératof has been informed by the German Ambassador, who returned to St. Petersburg last night from Berlin, that the amended text of the draft agreement is accepted by the German Government.

It is only with regard to article 4 that there will be any modification of the text, while it is probable that a fifth article will be added. This additional article will stipulate that, in the event of the Russian Government informing Germany, two years after the line from Sadijeh has reached Khanikin, that they renounce all idea of constructing the line from Khanikin to Tehran, either on their own account or through the agency of a syndicate of foreign financiers, then Germany will be at liberty to obtain the concession for that line from the Persian Government.

Count Pourtalès told M. Nératof that Russia was recognised by his Government as possessing full liberty of action with regard to the 4 per cent. customs increase, but that the German Government could only accept the term "Bagdad Railway" as applying to the whole railway, this being the interpretation which they had always understood those words to bear.

I asked M. Nératof whether he still intended to adhere to the reserve on this point which he had made verbally. He replied that the interpretation was still open to question, but added that, now that Germany recognised Russia's right to withhold her consent to the customs increase, the question of the interpretation of the words was no longer a matter of great importance.

From our conversation I gathered that M. Nératof would not insist any further, and that the signature of the agreement might be expected at an early date. His Excellency has promised that, before signing the agreement, he will communicate the text to me.

[31549]

No. 275.

Sir G. Barclay to Sir Edward Grey.—(Received August 10.)

(No. 323.)

(Telegraphic.) P.

Gulahek, August 10, 1911.

RUSSO-PERSIAN relations.

In continuation of my telegram No. 321 of yesterday, I have the honour to report that I saw Minister for Foreign Affairs last night. His Excellency confirmed in substance the account given in my above-mentioned telegram of his interview with M. Poklewski, but led me to understand that he would find difficulty in really procuring any tangible recognition of the Anglo-Russian agreement even if the reply of the Russian Government were favourable.

[30508]

No. 276.

Sir Edward Grey to Mirza Mehdi Khan.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Persian Minister, and has the honour to acknowledge the receipt of his note of the 31st ultimo relative to the return of the ex-Shah to Persia.

As regards the reference in this note to the execution of article 11 of the Protocol of the 25th August, 1909, Sir E. Grey has the honour to point out that its provisions have been faithfully observed, inasmuch as serious injunctions have been given on more than one occasion to Mohammed Ali Mirza to abstain from intrigues against the present Government of Persia. Now, however, that the ex-Shah has actually landed in that country, the question of his proceedings has become one of internal Persian politics in which His Majesty's Government would have no ground for intervention, even if it were possible to ensure that a further warning should reach him at the spot where he is at present.

With respect to the alleged actions of the Russian authorities in Persia, His Majesty's Government consider that these are matters outside their province, with regard to which they are unable to take any steps. The Russian Government have, however, informed His Majesty's Government that they have instructed their agents in Persia to observe strict neutrality in the present struggle between the two political parties there.

Foreign Office, August 10, 1911.

[31649]

No. 277.

Lloyd's to Foreign Office.—(Received August 11.)

Sir,

Royal Exchange, August 10, 1911.

I AM directed to beg that you will be so good as to lay before the Secretary of State for Foreign Affairs the following representations of the committee of Lloyd's with regard to the continued robbery of goods on the southern trade routes in Persia.

My committee understand that some time ago the British Government undertook to find a patrol to protect goods on the trade routes in question, and that the Manchester merchants agreed that they would pay the cost of this patrol by paying a surtax on the duties at ports in the Persian Gulf. It is now stated, however, that this proposed arrangement has not come into force, and that in consequence robberies have been frequent, and merchants have accordingly considered it unwise to send their goods inland, with the result that there are considerable accumulations of imports at various ports in the Persian Gulf.

My committee are informed that early last week telegraphic news arrived of further brigandage on the southern trade routes, and that ninety-nine loads of goods had been carried off by robbers.

These robberies are not only paralysing to British trade but also entail a considerable loss on British merchants and British underwriters, and the committee of Lloyd's therefore beg that Sir Edward Grey will be so good as to consider whether the time has not now arrived when some further steps may be taken in the matter.

I have, &c.

(For the Secretary),

EDW. PUTTOCK.

[32339]

No. 278.

Draft Declaration to Persian Government respecting Appointment of Major Stokes.—
(Communicated by M. Sévastopoulo, August 11, 1911.)

ME référant à la déclaration faite par moi au Ministre des Affaires Étrangères le 15 (28) juillet, année courante, j'ai l'honneur, d'ordre de mon Gouvernement, de porter à la connaissance du Gouvernement persan que le Gouvernement Impérial, pour des raisons expliquées en son temps au Gouvernement persan, considère l'engagement par ce dernier du Major Stokes comme chef d'une force armée destinée à agir dans le nord de la Perse, et dite gendarmerie pour la perception des impôts, comme incompatible

[31541]

No. 280*.

Sir Edward Grey to Sir G. Barclay.

(No. 230.)

(Telegraphic.) P.

Foreign Office, August 11, 1911.

WITH reference to the letter from Mr. Shuster, of which substance is given in your telegram No. 322 of yesterday, you should tell him that His Majesty's Government regret being unable to comply with a wish of his, and that they appreciate the simple-minded motive of his action and the good work he has done. But when we found Russian Government would object to Stokes we could not deprecate her attitude, and were bound to give Persian Government warning of the inevitable difficulties. Similarly we might have felt called on to object if, for instance, a Russian officer had been chosen to organise some service on the Indian frontier.

The Russian Government should have been sounded beforehand if a departure was intended from the understanding that only subjects of minor Powers should be selected, which has for some time been in existence with Persia, and which has only been broken in the case of the United States, who, as we pointed out, and Russia agreed, are beyond suspicion of any political motive so far as Persia is concerned.

To act on that understanding now seems to me the only way out of the present difficulty.

[1505]

2 R*

avec ses intérêts, et je suis chargé de protester contre cette nomination. Le cas échéant, le Gouvernement Impérial se réserverait de pourvoir lui-même aux mesures qu'il jugerait nécessaires pour la sauvegarde de ses intérêts dans le nord de la Perse.

[31708]

No. 279.

Sir G. Buchanan to Sir Edward Grey.—(Received August 11.)

(No. 180.)

(Telegraphic.) P.

St. Petersburg, August 11, 1911.

MAJOR STOKES.

I saw M. Nératof yesterday and spoke to him in the sense of your telegram No. 427 of the 9th August.

M. Nératof in reply observed that, in promising to support a Russian demand regarding a gendarmerie for the north His Majesty's Government met the case of the appointment of Major Stokes being restricted to the southern provinces, but that the promise made no provision for what would be done in the event of no such restriction being attached to the appointment.

I pointed out that your promised support would prevent Stokes from extending his operations to the northern provinces, and so would virtually cover both cases.

This explanation did not seem quite to satisfy M. Nératof, who asked whether the views of His Majesty's Government on this question had been communicated to Major Stokes, and said that he could not understand why it had not been possible to bring pressure to bear on that officer to induce him to give up the appointment.

His Excellency said that he was anxious that the incident should be closed as soon as possible, and he therefore begged me to let him know without delay when the answer of the Persian Government reached you.

Before seeing M. Nératof again, I should like to know the result of the communication to Stokes that Sir G. Barclay was instructed to make in your telegram No. 227, and I should also like to know whether you have any further instructions to give me on this question. Meanwhile, I am postponing communicating to M. Nératof the contents of Sir G. Barclay's telegrams Nos. 318 and 319.

[31707]

No. 280.

Sir G. Lowther to Sir Edward Grey.—(Received August 11.)

(No. 190.)

(Telegraphic.) P.

Constantinople, August 11, 1911.

TURCO-PERSIAN frontier.

The reports of the dispatch into Persian territory of Turkish troops are declared by the Minister for Foreign Affairs to be devoid of foundation and to be inspired by partisan feeling. The Turks, he said, have not half the number of men at Urmia that the Russians now have, and for months past no Turkish soldier has been sent across the frontier.

[32105]

No. 281.

Sir Edward Grey to Sir G. Barclay.

(No. 101.)

Sir,

Foreign Office, August 11, 1911.

THE Persian Minister came to see me to-day.

He made a series of complaints about the action of the Russian Government, including their objection to Major Stokes's appointment; and he stated that six Russian naval officers had accompanied the ex-Shah from Baku to Persian territory.

I asked him whence this latter statement came.

He said that his Government heard it from their consuls and vice-consuls in Russian territory, of whom they had several.

The Minister complained that all these actions were not in accord with neutrality between the Persian Government and the ex-Shah or with the Anglo-Russian agreement, the principle of which was the independence of Persia.

I explained to him our action in connection with Major Stokes in the same way as I had already explained it in reply to questions in Parliament. I said that we desired to maintain the Anglo-Russian agreement, but any questions which arose with Russia

in regard to it must be discussed between Russia and ourselves: they could not be discussed with anyone else. The Persian Government should, therefore, bring their complaints directly to the notice of the Russian Government or of the Russian Minister in Tehran.

The Minister said that this had already been done; but it had no effect.

I observed that, according to my information, there had been in the last few days more friendly conversations between M. Poklewski and the Persian Government in Tehran.

The Minister, who had a sheaf of documents, from which he read portions to me, asked whether I would like to have the facts in writing.

I said that he might send them to me in the form of a memorandum of this conversation.

I am, &c.
E. GREY.

[31788]

No. 282.

Anglo-Persian Oil Company to Foreign Office.—(Received August 12.)

*Winchester House, Old Broad Street, London,
August 10, 1911.*

Dear Mr. Mallet,

I THINK you will like to know that the constitution and membership of the Persian Railways Syndicate was finally settled at a meeting of the proposed subscribers which was held at my office yesterday.

The capital of the syndicate has been fixed at 15,000*l.*, and the subscribers so far arranged are as follows:—

Representing the Anglo-Persian Oil Company group—						£
The Right Hon. Lord Strathcona and Mount Royal	..	..	..	..	..	500
Mr. W. K. D'Arcy	..	..	..	..	..	425
Mr. J. T. Cargill	..	..	..	..	..	425
Mr. C. W. Wallace	..	..	..	..	..	425
Mr. C. Strick	..	..	..	..	..	625
Mr. C. Greenway	..	..	..	..	..	425
Mr. J. R. Preece	..	..	..	..	..	175
Representing the Imperial Bank of Persia group—						
Sir Thomas Jackson, Bart.	..	..	..	..	..	1,000
Sir Thomas Gordon	..	..	..	..	..	750
Mr. V. A. C. Hawkins	..	..	..	..	..	750
Representing the British India Steam Navigation Company group—						
Lord Inchcape	..	..	..	..	..	313
Mr. W. A. Buchanan	..	..	..	..	..	312
Sir John Ellerman, Bart.	..	..	..	..	..	625
Representing the British and Foreign General Securities and Investments Trust (Limited)—						
Mr. T. B. Bowring	..	..	..	..	..	200
Mr. Alex. B. Williamson	..	..	..	..	..	200
Sir Hugh S. Barnes	..	..	..	..	..	225
Representing S. Pearson and Sons (Limited)—						
Lord Cowdray	..	..	..	..	..	625
Sir Clarendon G. Hyde	..	..	..	..	..	625
Representing the Euphrates and Tigris Steam Navigation Company—						
Mr. H. B. Lynch	..	..	..	..	..	1,250
Sir Charles Nicholson, Bart.	..	..	..	..	..	1,250
Lieutenant-Colonel H. Picot	..	..	..	..	..	1,250
Mr. J. F. Lynch	..	..	..	..	..	1,250
Mr. G. Allen	..	..	..	..	..	200
Sir Montague C. Turner	..	..	..	..	..	200
Sir Alexander McRobert	..	..	..	..	..	175
Lieutenant-Colonel H. Picot	..	..	..	..	..	300
						14,500
In reserve	..	..	..	..	..	500
Total	..	..	..	..	..	15,000

The board has been constituted as follows:—

Mr. V. A. C. Hawkins.
Sir Clarendon G. Hyde.
Mr. C. Greenway.
Mr. J. R. Preece, C.M.G.
Mr. H. B. Lynch.
Lieutenant-Colonel H. Picot.

The post of chairman is for the time being left vacant.

As you are aware, it was desired that Sir Hugh S. Barnes should take the chairmanship, but as there are official objections to this we shall have to arrange for some other suitable gentleman to occupy this position. The names of Lord Lamington and Sir Mortimer Durand, either of whom is, I believe, willing to act, have been suggested, but pending some clearing up of the present political situation in Persia it is thought desirable to leave the appointment of chairman in abeyance unless some person of less pronounced views on Persian politics can be found.

At the meeting which was held yesterday the present political situation was discussed, and a very strong feeling was expressed in favour of a representation being made to the British Government as to the extreme desirability of their giving their very strongest support to the endeavours of the Treasurer-General of Persia to carry out the financial reforms so necessary for the establishment of constitutional government and for the general welfare and future development of the country.

I was requested to call upon you to lay the views of the members of the syndicate before you, but at a subsequent meeting with Sir Thomas Jackson I arranged with him to call upon you for that purpose either to-day or to-morrow, and he will explain to you fully the views of the syndicate.

Yours sincerely,
C. GREENWAY.

[31789]

No. 283.

Mr. Greenway to Foreign Office.—(Received August 12.)

*Winchester House, Old Broad Street, London,
August 11, 1911.*

Dear Mr. Mallet,

I SENT you on the 9th instant a copy of a telegram which I had received from Mr. Brown, asking me to telegraph immediately the terms of the draft railway contract which he is to arrange with the Persian Government.

The full contract has not yet been drafted, but our lawyers have drawn up, for the purposes of a telegram, the enclosed précis of the proposed terms, and before dispatching it I should be obliged if you will let me know if you have any alterations to suggest.

As you will see, the terms proposed are on the basis of the syndicate entering into a contract to construct the railways and to work them on behalf of the Persian Government until such time as the latter are in a position to pay off the railway bonds which are to be issued to cover the cost, this being the form in which we understand the Persian Government are desirous of granting any railway concessions.

Should the Government, however, be desirous of granting the concessions on the basis of a British railway company being formed to work the railways on their own account, the Persian Government guaranteeing the interest on any capital required, our syndicate will of course be equally ready to enter into a contract on these lines.

I shall be glad to have your reply at the earliest possible moment, as it is evident from Mr. Brown's telegram of the 5th instant that there is great urgency in the matter.

Yours sincerely,
C. GREENWAY.

[1505]

Précis of Proposed Terms of Draft Railway Contract.

THE following are heads of contract which Persian Railway Syndicate (Limited) are prepared to accept from Government:—

1. Government to grant syndicate exclusive right to construct following railways:—
 - (a.) From Mohammerah and (or) Khor Musa to Khoremad or Burujird.
 - (b.) From Bunder Abbas to Kerman.
 - (c.) From Bunder Abbas to Shiraz.
 - (d.) From Bunder Abbas to Mohammerah, and also harbour or port at any of above coastal termini, with preferential right construct extensions of any of above railways and other railways in Southern Persia.
2. Syndicate to commence survey first railway within six months.
3. Plans, specifications, first railway to be submitted on completion survey, together with estimate, cost construction, and equipment. Such cost to include engineering, freight, and other charges, interest during construction and two years after, and cost of financing scheme in Europe.
4. Plans, &c., deemed accepted by Government if not objected to in six months after delivery.
5. Survey at cost of Government, and to be paid at Government's option in cash or Imperial State bonds similar to recent issue on monthly certificates. If in bonds, Government to deposit with Imperial Bank of Persia sufficient amount of bonds at 87½ per cent. to cover cost of survey, with authority bank to deliver bonds to syndicate on production monthly certificates.
6. Syndicate to have right construct first railway on plans, &c., as approved. Line to be single track 2 ft. 6 in. or 1-metre gauge, and have telegraph or telephone line.
7. Prior construction first railway, Government to issue to syndicate 5 per cent. bonds at 87½ per cent., sufficient to provide estimated cost under clause 2 above, bonds to constitute direct liability of Government for payment principal, interest, and sinking fund of 1 per cent. and to be first charge on railway and railway receipts and customs duties Southern Persia or other securities approved by syndicate. Customs duties or other securities to be paid half-yearly to Imperial Bank of Persia to meet above liabilities as they become due.
8. Syndicate to provide interest and sinking fund on bonds during construction and two years after. If works delayed by *force majeure* or circumstances over which syndicate no control Government to pay interest and sinking fund during period works delayed.
9. Government may, any time within five years date contract, require syndicate proceed with survey of the three other lines or any of them on same terms as first railway.
10. On completion first railway Government may require syndicate or syndicate may require Government to allow them proceed with construction of first, second, and (or) third railways on same terms as first railway.
11. Railways when completed to be worked by syndicate on behalf and at expense of Government. Syndicate to be entitled to 5 per cent. gross receipts. Government to make good any deficiency in working.
12. On redemption of bonds and payment all moneys due syndicate Government may take over and work railways on giving two years' notice.
13. Necessary lands to be provided free.
14. Government to provide free of cost effective protection of all working parties.
15. Exemption of taxes materials imported free duties, same as in mining concession.
16. No other mechanical transport to be permitted within 50 miles without consent syndicate.
17. Government to appoint qualified European engineer, to be approved by syndicate, to certify work.
18. Chief officials of railway to be English.
19. Tariff to be on gold basis and fixed by syndicate.
20. Full *force majeure* clause.
21. Exchange to be taken at current market rates.
22. Disputes to be settled by British Minister.

[31801]

Sir G. Barclay to Sir Edward Grey.—(Received August 12.)

(No. 324.)

(Telegraphic.) R.

Tehran, August 12, 1911.

MY telegram No. 317 of 8th instant.

Russian Minister has received following news:—

Sardar Arshad and Rashid-es-Sultan have joined hands. Former has now reached Semnan, some 120 miles east of Tehran.

A force of Government troops some 1,400 strong, which is on its way north in direction of Firuzkuh, is in danger of being cut off.

Mahomet Ali has reached Barfrush, and intends to leave 12th August in direction of Tehran. He has a considerable force with him, and seems to be well supplied with money.

Salar-ed-Dowleh has left Kermanshah, after raising a large sum of money by force from populace, for Hamadan with a large body of followers.

(Sent to India.)

[30947]

No. 285.

Foreign Office to Messrs. F. C. Strick and Co.

Gentlemen,

Foreign Office, August 12, 1911.

WITH reference to previous correspondence relative to the shipment of red oxide from the Island of Hormuz, I am directed by Secretary Sir Edward Grey to inform you that Messrs. Ellinger and Company have submitted to him proposals for the reconciliation of your interests with their own and those of Messrs. Andrew Weir and Company in this matter.

These proposals are that (1) no further shipments of oxide shall be made otherwise than by Messrs. Andrew Weir and Company until after the date of the termination of their contract with Muin-ut-Tujjar on the 31st March, 1912; (2) that they shall be allowed to take away the remainder of the oxide which they should have received under the contract if it were still in force; and (3) that Messrs. Ellinger shall bring the value of the oxide thus received, as and when realised, into account against and in reduction of their and Messrs. Weir's claims against the Persian Government.

If these proposals are accepted Messrs. Ellinger are prepared to undertake to deliver to you at the exact cost laid down in store, the unsold balance of 4,095 tons of oxide warehoused at Avonmouth and 2,488 tons warehoused at Nordenham, and also to sell to you at the like cost the undelivered balance of 5,218 tons, which on the footing of these proposals, would be shipped by Messrs. Andrew Weir and Company.

Messrs. Ellinger observe that for your protection you may desire to stipulate that the oxide which you would purchase under this arrangement shall be brought into account as if it were equivalent to shipments taken by you under your contract with the Persian Government. They do not overlook the fact that you would, under this arrangement, pay a slightly increased rate for the oxide as compared with what they understand to be your contract price with the Persian Government, but they state that this would be amply met by the fact that under the same contract, as they understand, you have had 1,000 tons of oxide allowed to you free of cost.

This scheme amounts to a proposal that the claims of Messrs. Weir and Ellinger should be satisfied by the Persian Government in kind instead of in money, and the assent of that Government would of course have to be obtained for the delivery to Messrs. Ellinger of the balance of 5,218 tons of oxide due under the contract between Messrs. Weir and Muin-ut-Tujjar, shipments by yourselves being held in abeyance until after the date of the termination of Messrs. Weir's contract on the 31st March, 1912.

Messrs. Weir's claim against the Persian Government amounts at present to 26,053*l.* 12*s.* 10*d.*, and that of Messrs. Ellinger to 4,041*l.* 18*s.* These sums have been fixed after a careful scrutiny, conducted by the Board of Trade, of the manner in which the claims are made up and of the items of which they are composed, in the

course of which scrutiny the claims have been somewhat reduced. Against the claim of Messrs. Weir there is to be brought into account the price realised on sales of oxide from the stock held by them on the 1st October, 1910, while interest, storage charges, &c., since that date will constitute an addition to the amount claimed.

The proposal to deliver the unsold stock of oxide to you at its cost price would, if accepted, enable the present claim of Messrs. Weir to be diminished by the amount thus realised, and leave a balance representing mainly the loss of ordinary profit on handling the oxide, while Messrs. Ellinger's claim in respect of commissions would remain substantially as at present. The aggregate balance of claims would thus amount to about 10,000*l.*, and the value of the 5,218 tons of oxide which it is proposed that the Persian Government should deliver free to Messrs. Weir and Ellinger will apparently offset these aggregate claims apart from minor adjustments.

I am to state that the scheme now proposed has been attentively examined at the Board of Trade, and I am to express Sir E. Grey's hope that you will accord it your serious and favourable consideration, as it is in his opinion most desirable to reach a settlement of this difficult and protracted discussion.

I am, &c.

LOUIS MALLET.

[31829]

No. 286.

Sir G. Barclay to Sir Edward Grey.—(Received August 13.)

(No. 325.)

(Telegraphic.) R.

Tehran, August 13, 1911.

AT a dinner last night arranged for the purpose my Russian colleague and I had for the first time an opportunity of free discussion with Shuster. United States Minister was present.

My Russian colleague and I urged upon Shuster the necessity of acting with due regard to the spirit and letter of the Anglo-Russian agreement. And we assured him of our full support on those lines. We endeavoured to persuade him that the appointment of Major Stokes to the command of a national fiscal gendarmerie was contrary to the spirit of the agreement, and reminded him of our warnings to the Persian Government as to the engagement of assistants from subjects of European Great Powers.

Shuster assured us that in offering post to Stokes he had had no idea that the appointment would be unwelcome. He gave us the most ample assurances as to working within the lines of the agreement, but pleaded with extreme persistence for the employment of Stokes without restriction of his duties to the south. He said he could assure us that he would not be actively employed in the north except for organisation in Tehran, and declared that his assistance for this work for a time in Tehran was indispensable. There was no one else immediately available for his purpose. Moreover, if he waived his demand for Stokes's services, his position with the Medjliss, which he solemnly assured us should be used in the interests of smooth relations with the two Powers on the lines of the agreement, would be seriously shaken. He promised that while Stokes was under his orders the latter's Russophobic proclivities would be completely controlled, and he pressed the Russian Minister repeatedly and earnestly to endeavour to overcome the Russian Government's opposition.

The Russian Minister tried in vain to convince Shuster that any such endeavour would be useless, and most courteously but firmly refused to advise his Government to change their attitude.

Shuster made it evident that he was so dependent on Stokes that he would support any reasonable counter-demand from Russia, but Russian Minister pointed out the friction that would result from Russia's pressing for a counter-demand would react in favour of Mahomet Ali. The most sensible course was therefore to abandon the appointment of Stokes.

Our conversation, while it was unsatisfactory in that it was inconclusive and left us in doubt as to what course Shuster would adopt in regard to Stokes's appointment, served at least to put our relations with Shuster on a rational footing, and also somewhat to relieve the anxiety which his go-ahead methods had caused us.

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No. 287.

Sir G. Barclay to Sir Edward Grey.—(Received August 12.)

(No. 326.)

(Telegraphic.) R.

Tehran, August 12, 1911

FOLLOWING is substance of the Persian Government's reply to my *aide-mémoire* mentioned in my telegram No. 319 of 9th August:—

Persian Government cannot understand the attitude of His Majesty's Government in regard to the appointment of Major Stokes.

Even supposing that they desired to base their objection on Anglo-Russian agreement, the Persian Government's attitude towards which was defined in their note of 2nd November, 1907 (see Mr. Marling's despatch No. 250 of that year), not one word could be found in it to justify their contention.

On the contrary, the preamble, in that it respects in categorical terms the independence and integrity of Persia, supports the Persian point of view.

The preamble also declares that the two Governments desire the preservation of order in Persia, and the Persian Government's desire is to take the necessary steps for the collection of taxes, without which the maintenance of order would be in any country a difficult task.

The Persian Government are confident that His Majesty's Government will lend them their good offices to solve this question consistently with the dignity of Persia and with her most vital interests.

In handing me this communication, the Minister for Foreign Affairs asked my advice how to emerge from the present *impasse* without loss of face. I suggested that Major Stokes's work might be confined not perhaps expressly to the south, but to Fars, but his Excellency said that Russia would inevitably demand an equivalent in the north, so that even such an arrangement would be tantamount to recognition of spheres of influence.

His Excellency then suggested that the appointment of Stokes might be limited only to three years, with the stipulation that it was not to be a precedent. At the end of that period the Treasury gendarmerie would be entrusted to Persians or subjects of minor Powers. He said that if this did not satisfy Russia he thought that, if the Russian Government replied favourably to his recent advances (see my telegram No. 321 of 9th August), he might be able to declare that, provided the appointment of Stokes was not made the pretext for any Russian demand, he would not be sent personally on any active mission in the north as distinct from organisation work in Tehran.

I have informed the Russian Minister of the above and he does not think the proposal of the Minister for Foreign Affairs worth telegraphing to his Government.

[31831]

No. 288.

Sir G. Barclay to Sir Edward Grey.—(Received August 13.)

(No. 327.)

(Telegraphic.) P.

Gulahck, August 13, 1911.

SITUATION in Fars.

Reference to my telegram No. 316 of the 7th August.

His Majesty's acting consul, Shiraz, reports that the Nizam-es-Sultaneh has telegraphed to Sheikh Khazal stating that the people of Fars and chiefs of the tribes will not acknowledge Samsam-es-Sultaneh, Bakhtiari, as Premier, and expressing confidence that the sheikh will throw in his lot with the people of Fars and Soulet-ed-Dowleh.

Lieutenant-Colonel Cox has written to consul at Mohammerah, and is persuaded that Captain Haworth will use every endeavour to induce the sheikh to act reasonably. In these circumstances, I do not consider it necessary to convey any formal advice to the sheikh. I understand, moreover, that sheikh has addressed a telegram to the Medjliss professing loyalty to the constitution.

[31832]

No. 289.

Sir G. Barclay to Sir Edward Grey.—(Received August 13.)

(No. 328.)

(Telegraphic.) R.

Tehran, August 13, 1911.

YESTERDAY a message from the Regent was read to the Medjliss and adopted unanimously.

In it the Regent points out that hitherto dissensions, Utopian aspirations, and lack of practical sense have made all government impossible, so that Cabinet has succeeded Cabinet, and ephemeral Ministries have been unable to do anything for the country. Present situation is the result of this instability. If experience of the recent past is not taken to heart, the country will have cause to repent it in the near future.

As regards foreign relations, the Regent regrets that nothing has been done to improve these, notwithstanding his repeated counsels, or to profit by the friendly disposition manifested by the foreign representatives at the time of his arrival. He urges the importance of a serious attempt to repair the consequences of this neglect, and leaves it to the Cabinet to propose a detailed programme calculated to achieve this object.

Regent concludes with warning that should the situation and the importance of what he has said not be taken into serious consideration his position would become totally untenable, and on no condition would he continue to remain an idle spectator of the deplorable state in which the country is plunged.

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No. 290.

Sir G. Barclay to Sir Edward Grey.—(Received August 13.)

(No. 329.)

(Telegraphic.) P.

Gulahek, August 13, 1911.

EX-SHAH movement.

Please refer to my telegram No. 324 of the 11th August.

One of Mohammad Ali Mirza's forces has, His Majesty's consul-general at Meshed reports, been defeated at Firuzkuh by the Government troops. Former lost sixty men, and Raschid-es-Sultan, who commanded it, was wounded and captured by the Government force.

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No. 291.

Sir G. Barclay to Sir Edward Grey.—(Received August 13.)

(No. 330.)

(Telegraphic.) P.

Gulahek, August 13, 1911.

MAJOR STOKES and Treasury gendarmerie.

Please refer to St. Petersburg telegram No. 190 of the 12th August.

Your telegram No. 427 to St. Petersburg was not repeated to me.

I saw Stokes last on the 3rd August.

My letter informing him of the substance of your telegram No. 227 of the August was merely acknowledged.

7th Stokes's loyalty to Treasurer-General would, I believe, prevent him from being influenced by anything that I could tell him. If his resignation were refused, however, Treasurer-General would evidently be forced to abandon the project of his appointment. At the meeting reported in my telegram No. 325 of the 12th August Treasurer-General stated that Major Stokes had volunteered to regard the offer of the appointment as never having been made, and to efface himself in order to facilitate matters for the Treasurer-General. I doubt whether Shuster will consent to accept this offer, and I hesitate, without instructions, to urge him further.

If he is unable to obtain services of Major Stokes, it is, I fear, quite possible that Mr. Shuster may himself resign; but he would be more likely to remain if the Persian Government abandoned the appointment under Russian pressure than if he himself accepted Stokes's offer to drop out under pressure from us. He would in the former eventuality suffer no loss of prestige with the Medjliss.

[32023]

No. 292.

Lieutenant-Colonel Cox to Sir Edward Grey.—(Received August 14.)

(No. 6. Commercial.)

Sir,

Bushire, July 23, 1911.

I HAVE the honour to inform you that British firms in the United Kingdom and India trading with Persia are frequently raising in one form or another the question of the recovery of their claims against the Persian Government, and more particularly enquiring when payment of the compensation claimed by His Majesty's Legation will be effected.

For several years now both the central and provincial Governments have made no attempt to pay off former claims, or compensate British firms for robberies that constantly occur every year on the southern road, where a large proportion of goods in transport is British-owned. It has become the practice at each consulate to obtain as much corroborative evidence of robberies as possible, and to exhaust every effort locally in commercial claims, in which a denial of justice has taken place, before requesting His Majesty's Legation to present the claim to the Persian Government; all that can be done, then, is to inform the claimant British firm that "the claim has been made on the Persian Government."

British firms are apparently getting tired of these uncertain prospects, and at the same time the idea has been prevalent that a certain sum out of the British recent loan would be set apart for payment of compensation.

From correspondence with Sir George Barclay it would appear, however, that no such arrangements have as yet been contemplated, and he has recently informed me "that the prospect of the settlement of any of our claims is poor—at any rate, in the near future."

I am therefore placed in a difficult position in my constant intercourse with British firms and their agents on the subject of the ultimate payment of compensation.

In this connection I venture to forward copy of a letter recently addressed by the firm of Isaacs Brothers and Co., of Manchester, to my commercial adviser. This firm, though it has never done any very extensive business via Bushire, is stated to be one of the largest exporters of Manchester goods via Kermanshah—to the extent of 250,000*l.* in good years.

It would appear from the wording of the letter that Messrs. Isaacs Brothers have received some sort of assurance from the Foreign Office about compensation for their claims in the north, and now desire that their claim, through their agents here, may be brought to the notice of Government.

British trade in Southern Persia has not been in a happy condition for the last two or three years, and the firms are not in the same position to obtain pecuniary redress as are other British institutions, such as the telegraphs and bank.

It would, I am sure, produce an excellent effect on the firms if it could be arranged that the payment of even a small percentage on all outstanding claims should take place whenever the next advance to the Persian Government is made, and if His Majesty's Government could now give them some assurance to that effect.

The claims of British commercial firms made by His Majesty's Legation on the Persian Government have been of two kinds: for merchandise looted on the caravan road, and for cases where there has been a flagrant and continued denial of justice by the Persian authorities to British firms. Claims under the former head at present amount for the Bushire district to 2,397*l.*, and for the Shiraz district to 8,809*l.*; claims under the second category, already presented, amount, for the Bushire district, to 2,544*l.* approximately; but others in course of reference to Tehran will make this total quite 5,000*l.*

I have, &c.

P. Z. COX, *Lieutenant-Colonel.*

Enclosure in No. 292.

Messrs. Isaacs Brothers and Co. to Vice-Consul Chick.

Dear Mr. Chick,

61, George Street, Manchester, June 14, 1911.

IN view of the fact that the Persian Government loan has now become an accomplished fact, and that I have received a communication from the Foreign Office

with regard to claims on goods looted in North Persia, I shall deem it a personal favour if you will see what can be done with regard to the claims of Messrs. Shaul Morad Haym and Sons, Bushire, about which they have spoken to you, and which was a subject of our conversation when I last saw you.

Yours faithfully,
(For Isaac J. Isaacs),
S. HOWARD.

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No. 293.

Lieutenant-Colonel Cox to Sir Edward Grey.—(Received August 14.)

(No. 7. Commercial. Confidential.)

Sir,

Bushire, July 23, 1911.

I HAVE the honour to submit a copy of the report of my commercial adviser and vice-consul, Mr. H. G. Chick, on German trade and shipping for the fourth year of the Hamburg-Amerika Company's sailings, ending October 1910.

His last report was forwarded with my covering despatch No. 4, Commercial, dated the 8th June, 1910.

Two main facts, in a great measure dependent upon one another, stand out prominently in the report:—

1. The marked progress attending German efforts to capture and control the sugar trade to the Persian Gulf.
2. The important factor in their success represented by the use of Antwerp as an export base.

Presuming that when the Anglo-Persian Oil Company have their oil ready for shipment German steamers will no longer find it profitable to bring kerosene to the Gulf, the sugar trade will be their principal standby; it is consequently all-important to us to devise means of offering effective competition in respect of this commodity, and the figures and facts furnished by Mr. Chick clearly indicate that the use of Antwerp by the British lines is greatly to be advocated, both in connection with the sugar trade and other items of continental export; but as to what the precise position is at present among the companies *inter se*, and how far it may now be feasible from their point of view to resume the call at the Belgian port, I have no information.

In the above connections I venture, with the highest respect, to suggest that the Board of Trade be asked to convene a small conference of shippers and ship-owners to discuss both questions and advise as to the possibilities and most effective means of improving our position.

As regards Bahrein and Lingah, it is still, in our local opinion, important that the Anglo-Algerian Company should arrange regular calls at each port. In spite of previous hints, they have so far taken no steps in this direction in regard to Bahrein, and I can well believe that they have been deterred partly by the absence of satisfactory mail or telegraphic communication with the islands.

If, however, as there seems reason to hope, we shall before long see Bahrein connected with the other Gulf ports by wireless, this objection would disappear. Perhaps a knowledge of the intentions of Government in this direction would be encouraging to them.

As regards Lingah, I was glad at a recent visit to that port to gather that Messrs. Gray, Paul, and Co., who, stimulated by the appointment of a British vice-consul, at length decided to locate one of their European staff at this port, find that the measure is having satisfactory results.

The news of the probably early commencement of the Bagdad-Aleppo section of the German railway from the Bagdad end indicates a development of far-reaching importance, which will clearly be of the greatest advantage to the Hamburg-Amerika line.

As regards the point raised by Messrs. Lynch's manager in respect to German rights of navigation on the Tigris, it would seem unlikely that the Germans would forgo the opportunity of placing their own vessels and employes on the Shatt-el-Arab and Tigris for the transport of material; but, if the statement that the Turkish River Company is to be transferred to German management is correct, a position is likely to be created which could hardly be regarded by Messrs. Lynch and British interests in general with equanimity.

Whereas this report deals with a period ending October 1910, I venture to explain that the material on which the statistics are based takes a considerable time to collate, and necessitates correspondence with outside offices.

I have, &c.

P. Z. COX,
Lieutenant-Colonel.

Enclosure in No. 293.

*Report on German Shipping and Trade in the Persian Gulf for the period
October 1909 to October 1910.*

THE period under report coincides with the fourth year of the sailings of the Hamburg-Amerika Line to the Persian Gulf, in competition with the British lines from the United Kingdom, which had previously held a practical monopoly of the shipping trade to the Gulf ports and Shatt-el-Arab. As compared with the regular British lines, the number of sailings to the Gulf by the German shipping company have been:—

	October 1906-7.	October 1907-8.	October 1908-9.	October 1909-10.
Hamburg-Amerika Linie	13	12	9	11
Anglo-Algerian Steam-ship Company	18	23	13	18
Bucknall Steam-ship Lines	6	8	7	15
West Hartlepool Steam Navigation Company	8	7	4	10

Imports to Gulf.

The total number of packages imported by the eleven German steamers during the year under review, to all Gulf ports except Bussorah, was, as compared with the three previous years:—

	1906-7.	1907-8.	1908-9.	1909-10.
Muscat	6,227	9,533	8,038	7,765
Bunder Abbas	5,247	17,685	9,062	21,850
Lingah	26,664	19,514	18,815	15,787
Bahrein	10,098	27,994	9,074	28,653
Bushire	10,808	26,013	19,353	23,837
Mohammerah and Ahwaz	10,026	24,311 813	40,068	25,344
Totals	69,070	125,863	104,410	123,236

The figures supplied by His Majesty's consulate at Bussorah cannot, unfortunately, be added to the above, as they only cover each calendar year, not each year of sailings by the line. Those for 1910, as compared with previous years, were:—

	1907.	1908.	1909.	1910.
Packages	221,725	143,166	129,674	157,675

It would therefore seem that the German shipping company maintains approximately the position as an importing medium which it has held since the beginning; further, that there was a considerable recovery from the depression of commerce in the Gulf existing during 1908-9.

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Comparing the average import by the various lines to the port of Bushire:—

				Total.	No. of Vessels.	Average.
				Packages.		Packages.
Hamburg-Amerika Linie	..	..	..	23,837	11	2,167
Anglo-Algerian Line	..	..	..	42,840	13	3,295
Bucknall Steam-ship Lines	..	..	..	62,772	13	4,828
West Hartlepool Steam Navigation Company	..	..	..	21,709	10	2,170

N.B.—The second-named line also carried 2,485 tons of coal; the last-named, 1,053 tons of coal.

Analysis of Import Cargoes.

It is more particularly interesting in the figures for 1909-10 to analyse the articles of trade on which the Hamburg-Amerika Line rely for their import cargo—sugar and kerosene:—

SUGAR (Loaf and Crystal together).

				1906-7.	1907-8.	1908-9.	1909-10.
Muscat	..	..	..	880	150	660	500
Bunder Abbas	..	..	..	2,375	1,997	5,250	8,600
Lingrah	..	..	..	11,070	7,964	7,402	6,111
Bahrein	..	..	..	821	5,553	1,960	3,050
Bushire	..	..	..	3,665	6,470	8,560	10,724
Mohammerah	..	..	..	4,500	5,349	6,546	17,657
Totals	..	..	..	23,311	27,483	30,378	46,642

				1907.	1908.	1909.	1910.
Bussorah and Bagdad	..	..	..	44,995	48,652	47,374	118,839

KEROSENE (from Fiume, introduced by Messrs. Wöneckhaus in 1907).

				1907-8.	1908-9.	1909-10.
Persian and Arab ports	..	cases		45,125	51,700	43,244
Bussorah	..	..	..	61,579	22,396	5,000

Therefore, out of a total import of 123,236 packages to six Persian and Arab ports during the year under review, no less than 89,886 packages contained sugar and kerosene; while of cargo imported to Bussorah in 1910—157,675 packages—no less than 118,839 contained sugar and kerosene.

The balance, composed of general cargo—chiefly coffee, matches, iron bars, and arms—compares with previous years as follows:—

				Sugar and Kerosene.	General Cargo.
Persian and Arab ports—					
1907-8	..	..	packages	72,608	53,255
1908-9	..	..	"	82,078	22,332
1909-10	..	..	"	89,886	33,350
Bussorah and Bagdad—					
1908	..	..	"	110,231*	32,935
1909	..	..	"	69,770	59,904
1910	..	..	"	118,839†	38,836

* Chiefly kerosene.

† Nearly all sugar.

Sugar and kerosene therefore account for about two-thirds of the carrying trade of the line to the Persian Gulf, as far as the Gulf section of the voyages is concerned.

During the year October 1909-10 the 33,350 packages general cargo to Persian and Arab ports consisted principally of:—

Coffee	..	..	..	..	..	6,758 bags.
Matches	..	..	..	..	..	5,347 cases.
Iron bars	..	..	..	..	..	8,277 bundles.
Candles	..	..	..	..	..	1,544 cases.
Arms, ammunition	..	..	..	..	..	3,131 "
Macaroni, &c.	..	..	..	..	..	3,575 "
						28,632 packages.

The 38,836 packages general cargo to Bussorah consisted largely of:—

Coffee	..	..	..	..	..	2,816 bags.
Matches	..	..	..	..	..	5,658 cases.
Ironware, &c.	..	..	..	..	..	9,883 packages.
Candles	..	..	..	..	..	5,836 cases, &c.
Liquors	..	..	..	..	..	4,107 cases.
						28,300 packages.

Tonnage of Import Cargoes.

Taking six cases of loaf sugar, twelve bags of sugar, and twenty-three cases kerosene as the approximate number per freight ton, the two-thirds of import cargo made up of sugar and kerosene would weigh perhaps 9,733 tons for Bussorah and 7,110 tons for Persian and Arab ports. Assimilating these two sets of figures, we may assume that roughly two-thirds of the number of packages carried by each of the eleven steamers during the year filled a cargo space of 1,500 tons.

The principal items of the remaining one-third (general cargo) enumerated above would account for a further 850 tons per steamer. The total import cargo to the Gulf waters by each steamer may therefore, I think, be assumed to be approximately 2,500 shipping tons.

In addition to the Gulf and Shatt-el-Arab ports, the Hamburg-Amerika steamers on this run call at Port Saïd, Port Soudan, and Jibuti. Endeavours are being made to ascertain, if possible, from these ports the quantity of cargo annually unloaded from these vessels.

The quantity of 2,500 tons outward cargo for the Gulf would appear insufficient of itself to repay the cost of the steamers visiting the Gulf, unless (1) large cargoes are regularly shipped to Port Soudan and Jibuti, or (2) full export cargoes can be relied upon.

Importance of Antwerp as a Port of Shipment for the Gulf.

For some time past I have formed the opinion that the German shipping line depends more on the cargo which it ships from Antwerp to the Gulf than on actual cargo from Germany—it is Antwerp which supplies nearly all the loaf sugar brought in German ships, Belgian loaf sugar (R.T. brand) being at the same time that most in demand in the regions around the Gulf.

It will be recollected that previous to 1908 the Anglo-Algerian and Bucknall Lines to the Gulf used frequently to call in at Antwerp, though the export of sugar thence to the Gulf only dates from 1906. Six British steamers, for instance, brought to Bushire in 1907 5,750 cases and 7,589 bags from Antwerp and London.

In 1908 the Hamburg-Amerika Linie, having determined to capture the carriage of sugar as far as possible, and finding the calls of the British conference at that port inconvenient, threatened the British lines to cut into the English trade with the Gulf unless they desisted from calling at Antwerp, and further threatened a freight war. The German line, one of the most powerful German lines, was State-aided, and the British lines, receiving no financial support from the British Government, feared a contest and gave way. Since then only the steamers of the West Hartlepool Company, which dissociated themselves from the combine, and made, I understand, special terms with the Hamburg-Amerika, have called at Antwerp at all regularly.

It will be seen from the following figures what benefit this means to the German

line, and how they are almost entirely relying on the produce of third states to provide cargo for their vessels:—

From Antwerp (October 1909-10).					Sugar from Antwerp.
Bushire ..	..	..	packages	9,217	8,402
Bunder Abbas ..	..	..	"	15,400	6,300
Lingah ..	..	..	"	2,900	2,500
Bahrein ..	..	..	"	3,695	2,100
Mohammierah ..	..	..	"	12,923	12,310
				44,135	31,612
Bussorah ..	..	..	"	117,292	97,716

Out of a total import of 123,236 packages to the Gulf ports and 157,675 packages to Bussorah—

				Gulf Ports.	Bussorah.
				Packages.	Packages.
Antwerp provided ..	..	..	..	44,135	117,292
Fiume ..	..	..	..	43,244	5,000
				87,379	122,292
Leaving Hamburg, cargo ..	..	..	..	35,857	35,383

As regards the export of sugar from Antwerp, taking Bushire for example, it may be noted in comparison with the German line's shippings from Antwerp of 8,402 packages and from Hamburg of 2,322 packages sugar, that thirteen vessels of the Anglo-Algerian Line and ten vessels of the Bucknall and Ellerman Lines shipped respectively for Bushire from London only 740 and 2,400 packages sugar during the year under report (some of this was British refined sugar and crystals transhipped from Hamburg).

We know also that, out of a total 157,675 packages imported by the German line to Bussorah in 1910, 74,641 packages were loaf and crystal sugar from Antwerp to Bussorah and 23,075 packages from Antwerp for Bagdad—nearly 10,000 tons in all.

The Bussorah figures for British vessels would probably be still more striking, but, added to the fact that none of the three British companies sends vessels to Bahrein, that Lingah is seldom visited, the Bushire figures are sufficient to show that these two British lines are now quite out of the running for Belgian sugar, as compared with the German line.

There remains the West Hartlepool Line, which loaded 21,657 packages sugar at Antwerp, but this line is managed by an Anglo-German, and I gather that they are under some agreement with the Hamburg-Amerika Line in this respect, so if they are only acting subsidiarily to the German company's permission the position is highly unsatisfactory.

As stated in the report on the third year of sailings, it is a very great desideratum for the British "shipping lines to resume their calls to Antwerp for Gulf cargo." It would be important, as well as of great interest, to learn from Government what is the exact position between the Hamburg-Amerika Line and Messrs. Strick (the Anglo-Algerian Company, Ellermans, and Bucknalls) as regards Antwerp.

From information supplied to the Foreign Office by Messrs. Strick in September 1910, it would appear that the German company suddenly terminated the unwritten agreement under which they were working with him. If there is no agreement, what is to prevent the steamers of Messrs. Strick and associated companies resuming calls at Antwerp?

Seeing that nearly all Manchester shippers are understood to be under contract to Messrs. Strick and Co., and comparatively little besides sugar goes from London direct, it is presumed that Messrs. Strick and Co. would be in as little danger from any retaliation by the German company as the German company would be if Messrs. Strick sent their vessel to Hamburg.

— If this is not the reason why Messrs. Strick and Co. still abstain from sending steamers to Antwerp, is it that the German line has a special agreement with the Raffinerie Tirlemontoise, or such brokers of its sugar as the Société de l'Exportation des Sucres, and that British vessels, even if they went there, would obtain very little sugar?

From questions put to Messrs. Czarnikow's broker and others, I understand that they try if possible to arrange for shipments of Belgian sugar to the Persian Gulf to be sent to London for transhipment to the British lines; but in many cases, owing to date of shipment required and other reasons, there is no alternative but to let the sugar go out in the German line.

On account of the dimensions that the sugar trade is likely to assume in the near future up the valley of the Tigris and, possibly, the Karun—in 1910 the quantity to Bussorah increased by 79,814 bags loaf=138,573L.—and owing to the fact that the Raffinerie Tirlemontoise is one of the very few refineries which keep up the special machinery for moulding the sugar-cones preferred in this region, I would attach a great importance to the British lines calling regularly at Antwerp. Later on Antwerp cargo may become of less comparative value to the German line, but it will never do in this early stage of competition in the Gulf trade for the British lines to be driven out of the Antwerp trade.

Before leaving this subject I will briefly recapitulate the position of the sugar trade in the Gulf, and German connection with it. Loaf sugar is imported in very much larger quantities than crystal sugar. The principal refineries of loaf sugar dealing with this part of the world have been: Raffinerie Tirlemontoise, in Belgium; Raffinerie de St. Louis, near Marseilles; the refinery of U.Z.J. sugar at Szerencs in Hungary.

Up to 1906 nearly all the import into Southern Persia consisted of Marseilles sugar, but in 1906 the Belgian sugar appeared on the market, and, owing to its cheapness and the employment of certain trade devices, began to make headway round the Gulf littoral. For the past year or two the import of Marseilles sugar has dropped a great deal, and is destined chiefly for Central Persia, while the Hungarian refinery has, it would appear, ceased working. The British steamer companies have held for a number of years a contract with Marseilles refineries for the shipment of all sugar to the Gulf, but this is, I believe, near expiry.

It may be more than a coincidence that the Belgian refinery began operations in the Gulf (which presumably meant the installation of special plant) in the same year that the Hamburg-Amerika started their sailings to the Gulf and Messrs. Wöneckhaus extended their agencies. A reference to Sir W. Ward's letter to the Foreign Office of the 9th September, 1907, shows from his summary of the trade report of the German consul at Bagdad that the latter significantly remarked that "a brisk export trade in Belgian sugar has already been opened between Antwerp (where the Hamburg-Amerika Line steamers call on their outward and homeward voyages) and the Persian Gulf; but the sugar export trade from Marseilles is likely to remain, at all events for some time to come, in the hands of the British steam-ship companies running to the Persian Gulf, as they have made contracts for some years in advance with the Marseilles sugar refineries for the transport of their products to those ports."

That was in 1907; the position now is that the Belgian refinery holds the principal position, the Marseilles refineries the second; the export of Belgian sugars is in the hands of the German line and of a weak and doubtfully independent British line; the brands of crystal and soft sugar preferred in this region are also exports from Hamburg.

Now—lately—the agent of Messrs. Wöneckhaus, in conversation with a Persian merchant, is reported to have said that the contracts with the Marseilles sugar refineries would shortly be taken over by the Hamburg-Amerika Company, and then all the sugar trade would be in German hands. (N.B.—No less than 46,900 packages out of 75,512 packages total cargo brought by twenty-five steamers of the British lines to Bushire during the year were Marseilles sugar; whence the importance of these contracts.)

Further, on good authority it is stated that correspondence has passed in 1910 and 1911 between the German firm and Marseilles loaf sugar exporters, and that in one of their last letters Messrs. Wöneckhaus and Co. wrote that if Marseilles will ship sugar exclusively by the German line, reduced freights will be granted and the firm will accept all responsibility for shortages.

The evidence appears sufficiently strong to show that the Germans are making efforts to control the import of sugar to the Persian Gulf, and this can only be prevented

by all British interests concerned—shipping companies, sugar brokers, the principal British firms in the Persian Gulf and friendly foreign refineries—uniting. I doubt if the first named realise the increased activity of the Germans in this direction; and though perhaps a great deal ought to be done with British and colonial refined sugar, some sort of system will need to be adopted to popularise it, and it cannot be expected in any case entirely to answer the growing wants of these regions.

Kerosene.

The import of Galician kerosene is unlikely to grow, and is in fact considerably less than in former years. I am informed that the Anglo-Persian Oil Company's oil may be expected on the market about February next, and it is hoped that the oil will be sufficiently good to replace all foreign kerosene, at a much cheaper rate, and thus drive the Hungarian product out of the market, incidentally depriving the German line of 2,000–3,000 tons of import cargo per annum.

Exports.

Turning to exports from the Gulf during the period under review, the following are the results compared with those of previous years:—

				1906-7.	1907-8.	1908-9.	1909-10.
Bunder Abbas	..	..	Packages	1,236	813	601	48
Lingah	..	..	"	6,031	9,172	7,743	5,784
Bahrein	..	..	"	25,431	38,728	16,954	14,351
Bushire	..	..	"	8,496	4,272	2,657	1,116
Mohammerah	..	..	"	8,192	963	..	..
"	..	..	"	3,788	3,229	..	580
			Tons				
Total packages	..	..	..	49,386	53,948	27,955	21,299
Tons	..	..	..	3,788	3,229	..	580

				1907.	1908.	1909.	1910.
Bussorah	..	..	Tons	17,500	16,061	5,004	9,764
"	..	..	Packages	103,098	78,608	98,768	210,259

Reckoning by the tonnage scale, this makes a total for eleven vessels of 1,443 tons of exported packages from Persian and Arab ports, together with 9,241 tons of packages exported from Bussorah, to which has to be added 10,344 tons grain from the Shatt-el-Arab.

The average weight of cargo borne on the homeward voyage was thus 1,912 tons.

The net tonnage of eight of the eleven Hamburg-Amerika vessels ranged between 1,765 and 1,830 tons; a steamer of 2,093 tons made the remaining three voyages. The dead-weight tonnage, or carrying capacity, for these eleven ships may be put down at an average 4,500 tons each.

It is obvious, therefore, that the ships either went home more than half empty or had to pick up cargo in ports outside the Gulf. Besides the one vessel that proceeded with dates to New York and met with an accident in the Atlantic and an extra steamer of the Deutsche-Austral line which took dates from Bussorah to Australia, it is known that two of the vessels loaded on the Indian and Ceylon coast, and probably several others likewise, for it is reported that the Hamburg-Amerika Line, after loading as much as possible in each steamer, go away to the Malabar coast, where they are said to be under an agreement with the Hansa Line for alternate sailings. A high rate of freight is said to attract them, and by only partially filling their vessels they avoid the expense and delay of lighterage at the bar.

Produce for export was scarce in the Gulf from the autumn of 1909 up to July 1910, owing to the failure of previous harvests, and when the poor results of the first three years' sailings are borne in mind, it is evident that the German steam-ship company do not mind running at a loss over an extended period and are determined to maintain a regular connection in order to be able to claim a vested interest in the Gulf

or Shatt-el-Arab trade, i.e., for political reasons, which presupposes that a subsidy exists; otherwise, what business-like shipping company would maintain an expensive fleet—even to the extent of purchasing two larger vessels from Messrs. Strick and Co.—for a part of the world where Germany has had no vested interests, where there is not even a moderate quantity of import or export trade with Germany, where there is but a single German firm—their own protégé, and, to all intents, the sole shipper by the line—all for an average import cargo of 2,500 tons, and export cargo of 2,000 tons per voyage?

Messrs. R. Wöckhaus and Co.'s Business and Connection with the Line.

Out of cargoes imported to Gulf ports (but not Bussorah), the own property of the German firm, or goods consigned to them for their clients, amounted to:—

In 1907-8 ..	..	..	68,396 packages out of a total 125,863 packages.
" 1908-9 ..	..	..	73,682 " " 104,410 "
" 1909-10..	..	..	71,446 " " 123,236 "

The latter figures, derived from manifests, are composed as follows, though they are probably incomplete:—

To all Gulf ports—							Cases.
Kerosene ..	..	..	..	..	..	..	43,244
To Bunder Abbas—							Packages.
Loaf sugar ..	..	..	..	..	..	..	5,150
Crystal sugar ..	..	..	..	..	..	..	2,000
Iron bars ..	..	..	..	..	..	..	2,654
Candles ..	..	..	..	..	..	..	100
Matches ..	..	..	..	..	..	..	47
Beer ..	..	..	..	..	..	..	30
Colours ..	..	..	..	..	..	..	12
Spirits ..	..	..	..	..	..	..	11
Various ..	..	..	..	..	..	..	10
To Lingah—							
Sugar ..	..	..	..	..	..	..	2,500
Vermicelli ..	..	..	..	..	..	..	1,900
Coffee ..	..	..	..	..	..	..	113
To Bahrein—							
Coffee ..	..	..	..	..	..	..	5,778
Sugar ..	..	..	..	..	..	..	1,550
Vermicelli ..	..	..	..	..	..	..	850
Ironware ..	..	..	..	..	..	..	131
Matches ..	..	..	..	..	..	..	48
Cottons ..	..	..	..	..	..	..	26
Various ..	..	..	..	..	..	..	26
Earthenware ..	..	..	..	..	..	..	10
To Bushire—							
Sugar ..	..	..	..	..	..	..	1,205
Window-glass ..	..	..	..	..	..	..	300
Paper ..	..	..	..	..	..	..	57
Various ..	..	..	..	..	..	..	41
Beer ..	..	..	..	..	..	..	40
To Mohammerah—							
Sugar ..	..	..	..	..	..	..	3,200
Beer ..	..	..	..	..	..	..	78
Matches ..	..	..	..	..	..	..	105
Candles ..	..	..	..	..	..	..	200
Various ..	..	..	..	..	..	..	50
Total ..	..	..	..	..	..	..	71,446

Incidentally, also, it may be mentioned that British firms, chiefly Hindu traders at Bunder Abbas, imported by the line not less than 17,284 packages—iron bars, matches, and 3,350 bags Belgian sugar by Messrs. Ziegler formed the principal items.

From February 1910 till after the end of the year under report Messrs. Wöckhaus and Co. remained without a German agent at Bushire, and little business was done; at Bunder Abbas also they have so far not established a German representative. Their financial business through the Imperial Bank of Persia at Mohammerah from April till December 1910 only amounted to 30,300 tomans (5,509L.), and 309L. only in duties had been paid to the Persian Customs there.

Mohammerah.—Messrs. Wöckhaus only began shipping exports and buying grain in Mohammerah from the end of September 1910 onwards; previously the steamers did not stop at that port on their downward voyage; from that month onwards they

became very busy, buying at prices far above English limits, and taking advantage of the exceptional harvest of 1910.

Bushire.—Mention was made in the previous report that Messrs. Wöneckhaus's broker and the Persian mirza of the German consulate had been large importers of arms at Muscat for subsequent smuggling to Tangistan, and that the former had suffered financially from the blockade, and had been called upon to meet bills from Germany. During his tenure as representative of the German firm at Bushire in September 1910 he sent 8,500 tomans (1,545*l.*) of the firm's money in coin in a native boat to buy grain a little distance along the coast. The boatmen afterwards stated that their craft had sunk and the coin been lost, but suspicions were aroused that the broker was implicated in the disappearance of the coin. Mr. Brown, managing partner of the firm at Bussorah, arrived to investigate the accounts and enquire into the affair, and the broker, finding himself discredited and pressed for money, absconded into the hinterland, saddling the German firm with a heavy loss.

Lingah.—Messrs. Wöneckhaus's methods at Lingah, as agents for the shipping line, had been characterised for a long time by high-handedness towards the Persian Customs and British shippers, while reliable reports received left it hardly open to doubt that they took advantage of their private bonded warehouse to smuggle when opportunity offered.

Financial Business of Messrs. Wöneckhaus and Co.

On the 1st October the commanditaire partnership between Herr Wöneckhaus and Herrn Traun, Sturcken, and Co., in Hamburg, came to an end, and the business was then carried on by Herr Wöneckhaus as sole partner with a capital of about 20,000*l.* Herr Wöneckhaus was reported to be seeking English capital, and Mr. Otto Beit's name was very confidentially mentioned as willing to advance the firm 50,000*l.* for ten or twelve years. The director of the Commercial Intelligence Branch also stated in this connection that "Messrs. Wöneckhaus's Persian Gulf business is said to have been very prosperous, and with additional financial facilities the business is capable of greater development."

It is to be regretted if this firm, presumably merely a weapon of the Deutsche Bank, Hamburg-Amerika Linie, and German policy in connection with the Bagdad Railway terminus, is being financed from London.

Though anticipating the report for October 1910-11, it is interesting to note, in connection with their financial arrangements, that the following credits were stated from Bussorah to have been granted to Messrs. Wöneckhaus and Co. in January 1911:—

From the—	£
Deutsche Bank, Berlin	30,000
Deutsche Orient Bank, Berlin	30,000
Dresdner Bank, Berlin	10,000
Ferdinand Jacobs, Hamburg	
Martin's Bank, London	

in drafts of four months' usance, payable in London.

Also, in February 1911, 40,000*l.* from German banks. Mohammerah and the Gulf ports are apparently largely financed from Bussorah.

This money is now (1911) being utilised in the purchase of grain, for which specially favourable conditions are prevailing up the Tigris and Karun and along the Persian littoral. The Germans are buying, at higher prices than British firms can afford, any and all grain, more particularly barley, put on the wharves, and their one preoccupation is to fill these German ships. The shipping line is believed to allow them a rate of freight considerably reduced below the 17*s.* 6*d.* now charged by the British lines on wheat.

German Line and the Bagdad Railway.

A report that the Hamburg-Amerika steamers would soon be bringing out railway material to Bagdad having emanated from the German office in Bushire, enquiries were made from the resident at Bagdad and Messrs. Lynch as to how the transport of this material would be effected, and how British shipping on the Tigris might be affected. Mr. Lorimer states that, from a conversation which he had with Meissner Pasha at Aleppo and subsequent information, it would appear that, after the survey is made and the alignment approved, construction of the Aleppo-Bagdad section will begin from both ends simultaneously. According to Messrs. Lynch's own information,

the railway material will arrive at Bussorah as soon as the plans are finally decided upon, but it is not known yet whether negotiations have been opened with the Nahrieh as to its transport. Under the railway concession the German company seem to have the privilege of bringing up the material on their own river craft. Messrs. Lynch's manager raises the question whether recent changes in the arrangements with the Turkish Government regarding the proposed Gulf section of the railway will have affected this privilege or not.

It is obvious that the position of the Hamburg-Amerika Line will be strengthened by the acquisition of this heavy additional cargo; on the other hand, the introduction of German craft on the Tigris, nominally for transport of railway material alone, may, in the sequel, conceivably prejudice both Messrs. Lynch's concessionary rights and also aid the Germans, with their system of rebates of railway and sea freights, to place German exported merchandise on the Bagdad and Western Persian markets cheaper than goods travelling by English ships.

According to a statement made by one of Wöneckhaus's agents to His Majesty's consul at Mohammerah, the Germans are about to bring out six small tugs to the Gulf, but whether as river-boats for the purpose indicated above or for lighterage purposes is not yet known.

A rather startling statement has, however, been made in the German office at Bushire, and in the presence of a British shipping agent, by the master of the Hamburg-Amerika steam-ship "Nicomedia," to the effect that the Germans would be shortly taking over the Turkish River Company's boats, and then there would be good openings for German masters in these craft.

Statistics.

Details of imports and exports by the line to the various ports are attached. No new types of goods are to be noticed. As regards German velvets, it may be mentioned that the German samples were brought to the notice of Messrs. Ziegler and Co., Messrs. Elson and Neill, of Manchester, and Messrs. Lister, of Bradford, during the summer of 1910, but it is doubted whether they will take any specific action to oust German goods.

Beer.—Messrs. Allsopp and Messrs. Tennent have, since the previous report, interested themselves in the market, and there are English beers now in opposition to the German.

Crystal Sugar.—The British sugar sent on trial to the Gulf market by Messrs. Henry Tate and Sons, as the result of arrangements between the Board of Trade, Messrs. F. C. Strick and Co., and themselves, had done well in the year under report, and Messrs. Tate expressed themselves very satisfied. But the specially reduced shipping rates cannot be utilised for Bahrein, Koweit, and Lingah, where Messrs. Strick's vessels do not call, and the lower price of E.A.R. Austrian sugar often makes it difficult to obtain buyers for the British crystals. With some more organisation, in which the consulate-general would willingly assist, and an extension of shipping facilities to the other ports, Messrs. Tate ought to be able to build up a large trade.

Iron Bars.—Besides Bussorah, the import was nearly all for Bunder Abbas, shipped for Hindu firms by Messrs. Forbes, Forbes, Campbell, and Co., of London and Karachi. I have asked this firm, both verbally in London last year and now again in writing, if it is possible for them to avoid shipments by the German line, and more especially if they can replace the Swedish iron from Antwerp by British iron.

Matches.—The sulphur matches most in vogue in the Gulf are, apparently, manufactures of the Swedish Match Combine, with which the Hamburg-Amerika Line has a special freight agreement at Antwerp. So far our efforts to discover a British sulphur match, or failing that Swedish matches not in the hands of the combine, which could be introduced to compete, have been unsuccessful.

Synthetic Indigo.—Indian indigo seems to be losing ground before the German article, of which 366 packages were imported to the Persian ports in the year under review—an increase on previous years. Indian exporters appear to take no steps to make arrangements with the principal importers of indigo, including such firms as Messrs. Ziegler and Co., and prices of the better quality Indian dyes are dearer than the German product.

H. G. CHICK.

BUSHIRE.

Imports.

		1906-7.	1907-8.	1908-9.	1909-10.	Approximate Local Value.
<i>Hamburg Cargo.</i>						
Matches	Cases	1,720	835	910	1,605	4,231
Cotton goods ..	"	77	20	23	34	553
				(Bundles)		
Woollen goods ..	"	5	37	28	25	700
Velvets and plushes ..	"	58	76	14	65	1,755
Loaf sugar ..	Cases	720	820	10	..	..
" ..	Bags	700	..	..	..	..
Crystal sugar ..	"	..	5,100	2,450	2,322	3,588
Liquors, whisky ..	Cases	75	87	31	17	40
Beer ..	"	90	198	175	82	113
Cocoa ..	"	6	..	..	..	..
Drugs ..	"	120	171	134	80	620
Glassware ..	"	28	98	13	21	105
Iron, brassware ..	"	30	35	43	13	49
Lampware ..	"	22	10	22	..	..
Sewing-machines ..	"	25	21	22	6	120
Stationery ..	"	113	..	..	..	..
Paper ..	Bundles	73	170	..	79	295
Colours ..	Cases	60	130	20	..	..
Earthenware, porcelain ..	"	..	75	12	7	42
Provisions ..	"	..	28	..	25	100
Indigo ..	"	..	18	108	29	522
Furniture ..	"	..	27	..	..	..
Oil—linseed, castor, &c. ..	"	..	97	21	..	..
Miscellaneous ..	"	113	106	83	56	..
Personal ..	"	113	39	37	10	..
Total ..	..	4,148	8,198	4,156	4,476	12,813*
<i>Antwerp Cargo.</i>						
Indigo ..	Cases	358	42	..	66	1,386
Cotton goods ..	"	171	368	104	37	481
Loaf sugar ..	"	1,600	550	2,500	8,402	9,318
Crystal sugar ..	Bags	645	..	3,600	..	..
Liquors, wine ..	Cases	106	..	58	..	..
Candles ..	"	800	1,100	1,350	150	81
Window-glass ..	"	1,700	520	390	300	273
Glassware ..	"	239	46	37	26	100
Miscellaneous ..	Packages	69	35	44	70	..
Colours, chemicals ..	"	..	42	15	62	1,240
Cloth, woollens ..	Bales	..	13	..	69	1,178
Matches ..	Cases	..	..	30	..	..
Copper sheets ..	Bundles	..	..	20	..	..
Ironware, nails ..	Cases	..	..	19	8	32
Rolls wire ..	"	..	..	..	10	..
Beer ..	Cases	..	..	..	25	33
Total ..	..	5,688	2,716	8,167	9,225	14,122†
<i>Fiume Cargo.</i>						
Kerosene ..	Cases	752	15,000	7,020	10,144	2,582

* Not counting sundries.

† Add cost of wire rolls.

Exports.

		1906-7.	1907-8.	1908-9.	1909-10.	Approximate Local Value.
Opium ..	Chests	103	199	..	..	£
Gum tragacanth ..	Cases	557	1,016	..	..	..
" insoluble ..	Bags	2,391	..	1,499	430	3,440
Tobacco ..	Bundles	295	644	110	27	54
Carpets ..	Bales	92	39	20	66	4,884
Poppy-seed ..	Bags	1,798	164	..	281	155
Linseed ..	"	400	171	291	..	..
Cummin-seed ..	"	54	41	..	..	..
Raisins ..	"	1,640	705	..	..	..
Rosewater ..	Cases	..	174	13	..	..
Barley ..	Bags	..	168	..	..	..
Wheat ..	"	..	520	..	..	..
Wool, raw ..	Bales	45	102	274	120	889
Skins ..	"	1	5	..	..	..
Cotton, raw ..	"	80	..	..	..	..
Shells ..	Baskets	..	320	..	150	50
Dates ..	"	626	..	..	..	..
Almonds ..	Bags	400	..	336	24	170
Miscellaneous ..	Packages	5	4	54	18	..
Total ..	..	8,496	4,272	2,657	1,116	9,642

MUSCAT.

Imports.

Arms and ammunition ..	Cases	2,071	5,241	2,043	3,131	48,283
Loaf sugar ..	"	681	150	..	..	..
Sugar, soft ..	Bags	199	..	660	500	656
Vermicelli ..	Cases	79	175	300	100	86
Cotton goods ..	Bales	597	553	216	5	90
" ..	Cases	..	..	12	..	..
Wood for date boxes ..	Bundles	2,143	..	2,206	..	..
Liquors, wine ..	Cases	217	351	118	393	311
Kerosene ..	"	..	..	2,000	3,500	700
Perfumery ..	"	6	10	10	20	44
Coffee ..	Bags	..	..	187	..	..
Matches ..	Cases	4	..	..	..	..
Paints and colours ..	"	20	45	..	..	..
Henna ..	Bags	20	..	..	..	..
Fezes ..	Cases	6	..	..	..	..
Syrups ..	"	12	..	..	..	..
Oil stores ..	"	..	65	..	10	29
Miscellaneous ..	Packages	172	170	286	60	383
Wire nails ..	Kegs	..	..	..	46	21
Total ..	..	6,227	6,760	8,038	7,765	50,613

BUNDER ABBAS.

Imports.

Loaf sugar ..	{ C/- and bags }	1,625	500	1,412	6,400	7,314
Crystal sugar ..	Bags	750	1,497	3,838	2,200	3,897
Kerosene ..	C/-	..	1,000	2,000	2,000	533
Iron bars ..	Bundles	..	3,118	..	8,077	1,623
Steel bars ..	"	..	2,444	300	..	..
Iron plates and sheets ..	"	..	8,806	137	..	..

			1906-7.	1907-8.	1908-9.	1909-10.	Approximate Local Value.
							£
Liquors, brandy, &c.	..	C/-	123	93	122	11	29
Indigo and colours	..	"	10	40	127	158	1,136
Beer	..	"	..	42	72	113	160
Window-glass	..	"	..	100	..	50	15
Enamelware	..	"	..	23	..	..	..
Piece-goods	..	Bales	25	5	..	8	234
Matches	..	C/-	2,270	17	1,025	1,917	6,025
Candles	..	"	300	..	10	894	459
Velvet	..	"	..	..	4	..	..
Miscellaneous	..	Packages	144	..	15	22	46
Total	..	..	5,247	17,685	9,062	21,850	21,471

Exports.

Gum tragacanth	..	Packages	1,090	599	52	..	..
Poppy seeds	..	"	15	83	..	..	..
Lucerne seeds	..	"	51	48	22	23	22
Pistachios	..	"	3	10	..	..	..
Tobacco	..	Bags	75	..	..	..	..
Carpets	..	Bales	..	12	376	4	133
Asafoetida	..	Cases	..	61	94	17	57
Miscellaneous	..	Packages	2	..	52	4	27
Cotton	..	Bundles	..	..	5	..	..
Total packages	..	..	1,236	813	601	48	239

LINGAH.

Imports.

Loaf sugar	..	C/- and bags	5,772	1,309	2,483	3,148	3,808
Crystal sugar	..	Bags	5,298	6,635	4,919	2,963	5,333
Macaroni	..	Cases	2,944	3,085	500	1,900	1,266
Piece-goods	..	Bales	142	212	127	23	536
Gold thread, braid, brocade	..	C/-	..	46	15	15	400
China ware and crockery	..	"	6	19	3	6	360
Coffee	..	"	131	147	60	30	120
Soap	..	Bags	620	660	267	113	376
Haberdashery	..	C/-	..	100	1	50	40
Iron	..	"	141	34	..	..	..
Kerosene	..	Bundles	..	142	13	200	80
Paints	..	Cases	10,800	7,050	9,700	7,000	1,866
Beer	..	Casks	..	8	19	..	..
Perfumery	..	Cases	..	20	22	..	..
Candles	..	"	15	18	7	4	160
Glassware	..	"	748	..	200	200	93
Matches	..	"	20	..	58	..	..
Woollens	..	"	..	..	130	57	171
Wines and spirits	..	Bales and cases	..	..	1	2	106
Provisions	..	Cases	..	..	20	23	..
Miscellaneous	..	Packages	..	..	210	21	17
Total	..	..	26,664	19,534	18,815	15,787	15,252

Exports.

			1906-7.	1907-8.	1908-9.	1909-10.	Approximate Local Value.
Oyster shells	..	Baskets	5,082	8,123	5,385	5,418	£ 2,257
Pearl shells	..	Cases	541	131	67	18	48
Raisins	..	"	46	300	..	..	..
Asafoetida	..	"	51	..	151	215	1,576
Dried grapes	..	Bags	..	51	..	..	..
Almonds	..	"	..	35	..	..	..
Linseed	..	"	96	..	..	111	89
Poppy-seed	..	"	..	11	..	..	..
Gum tragacanth	..	"	67	19	..	16	15
Tobacco	..	"	..	300	..	..	..
Gum mastic	..	"	..	200	..	..	..
Rafters	..	Number	..	..	2,140	..	..
Miscellaneous	..	Packages	148	2	..	6	26
Total	..	..	6,031	9,172	7,743	5,784	4,011

BAHREIN.

Imports.

Loaf sugar	..	Cases	821	1,460	1,460	2,300	2,760
Crystal sugar	..	Bags	..	4,093	500	750	1,200
Vermicelli	..	Cases	3,825	1,171	140	1,675	1,340
Coffee	..	Bags	4,252	4,887	5,359	6,758	18,021
Kerosene	..	Cases	..	14,525	1,000	15,600	3,200
Matches	..	"	355	284	290	410	1,230
Candles	..	"	50	4	..	100	27
Cotton goods and yarn	..	Bales	172	108	16	28	560
Woollen goods and yarn	..	"	4	7	3	18	120
Gold thread	..	Cases	21	54	8	28	2,240
Perfumery	..	"	83	93	8	5	66
Glassware	..	"	36	77	30	..	..
China ware, crockery	..	"	67	179	40	33	180
Haberdashery	..	"	76	..	..	..	..
Sewing-machines	..	"	42	18	6	..	..
Window-glass	..	"	..	50	..	35	23
Enamelware	..	"	..	57	11	..	..
Lampware	..	"	..	23	..	..	..
Soap	..	"	..	39	..	..	..
Colours	..	"	..	3	31	15	150
Iron wire	..	Barrels	..	533	68	302	604
Cement	..	"	..	200	..	..	..
Stationery, paper	..	Cases	..	27	23	5	15
Condensed milk	..	"	..	10	..	..	..
Henna	..	"	49	..	..	..	..
Copper sheets	..	Bundles	..	34	..	63	400
Metalware	..	Cases	..	9	16	374	923
Miscellaneous	..	Packages	245	49	20	139	..
Provisions	..	"	..	..	45	15	13
Total	..	..	10,098	27,994	9,074	28,653	33,072

Exports.

Shells	..	Packages	12,432	28,760	11,492	12,632	5,895
Dates	..	"	12,967	9,968	5,462	1,719	1,719
Total	..	..	25,399	38,728	16,954	14,351	7,614

MOHAMMERAH AND AHWAZ.

Imports.

				1906-7.	1907-8.	1908-9.	1909-10.	Approximate Local Value.
								£
Loaf sugar	Cases	1,750	300	2,400	2,650	3,469		
"	Bags	..	..	..	..	..
Crystal sugar	"	2,750	5,049	4,146	13,007	24,284		
Cotton goods	Bales	118	514	19	113	1,130		
Woollen goods	"	4	10	..	18	684		
Velvets and plushes	Cases	8	..	..	50	1,850		
Kerosene	"	..	7,550	29,980	5,000	1,364		
Matches	"	10	160	1,025	1,358	3,950		
Candles .. ..	"	..	..	150	200	105		
Colours, indigo	"	6	20	79	113	2,260		
Window-glass	"	100	..	100	42	34		
Glassware	"	17	8	..	..	..
Iron, brassware	Bundles	135	529	..	172	115		
Iron hoops, wire	"	40	219	..	10	10		
Wood for date boxes	"	3,700	9,600	1,440	..	..
Gold thread	Cases	5	..	5	..	..
Drugs	"	9	2	..	..	..
Furniture	"	..	49	..	..	..
Wines, &c.	"	..	63	58	58	290		
Tea	Chests	..	136	..	..	..
Beer	Cases	..	20	266	314	482		
Provisions	Packages	127	181	..	..	..
Miscellaneous—								
Local	"	169	..	..	..	..
Up country	"	313	164	400	239	..		
Others	"	765	..	..	..	..
Total		10,026	24,574	40,068	25,344	40,027		

Exports.

Grain and seeds ..	{ Tons Packages	3,787 8,203	3,329 963	Nil of im- portance	{ 580 ..	2,755 ..
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[31856]

No. 294.

Sir G. Buchanan to Sir Edward Grey.—(Received August 14.)

(No. 228.)

Sir,

St. Petersburg, August 9, 1911.

I HAVE in previous despatches had the honour to report on the language held by the Russian press on the subject of the appointment of Major Stokes to command the gendarmerie which the Persian Government propose to organise for Treasury purposes. Even such an Anglophil journal as the "Novoe Vremya" has taken His Majesty's Government severely to task for allowing a former military attaché to resign his commission in order to assume the command of a force whose operations will extend over the northern zone, especially placed under Russian influence by the 1907 agreement, or to take an active part in an internal conflict that is being waged outside the sphere of British influence. Such an appointment, constituting as it would an infraction of the aforesaid agreement, would, the "Novoe Vremya" apprehends, seriously prejudice the harmonious working of the Anglo-Russian understanding. Other papers, representing the views of reactionary and Germanophil circles, have openly declared that now that England has shown her cards Russia has acquired a free hand, and is at liberty to intervene by force in Northern Persia for the protection of her interests. In official circles the appointment has been no less strongly condemned on its merits, though it is perfectly understood that His Majesty's Government are innocent of the Machiavellian

designs imputed to them in other quarters of stealing a march on the Russian Government and gaining a foothold in the Russian sphere in Northern Persia.

When Mr. Shuster early in July decided to entrust to Major Stokes the task of organising a Treasury gendarmerie, whose operations would embrace the whole of Persia, I explained to M. Nératof the great benefits likely to be derived from the creation of such a force, as well as the special qualifications possessed by Major Stokes for organising and commanding it. M. Nératof, in reply, expressed himself favourable to the idea of a gendarmerie of this description, but took exception to its being placed under the command of a British officer. He suggested that the command should either be split up and shared by a British and a Russian officer or that it should be entrusted to a subject of one of the minor Powers, such as Sweden. The fact, moreover, that the appointment was being offered to Major Stokes by Mr. Shuster, who had already incurred his serious displeasure by the attitude which he had taken up towards the customs administrator without previous consultation with the Russian and British Governments, did not predispose his Excellency in its favour. The unexpected turn which Persian affairs took in consequence of Mohammad Ali's sudden return distracted M. Nératof's attention for a time to other matters, and his Excellency was at first under the impression that the grave internal crisis with which the Persian Government was confronted would cause the two questions of the Mornard-Shuster dispute respecting the customs administration and of the projected Treasury gendarmerie to fall temporarily into abeyance. When, however, it became evident from the decision taken by the Medjliss respecting the salary to be allotted to Major Stokes on his appointment that the Persian Government were determined to avail themselves of his services in some form or another, and that they would in all probability employ him to direct the military operations about to be taken against the ex-Shah in Northern Persia, his Excellency caused representations to be made on the subject to His Majesty's Government through the Russian Ambassador in London.

It was not, however, till the 2nd of this month that M. Nératof again referred to the matter in conversation with me. After enquiring if I could tell him how the question stood at that moment, his Excellency told me that the Russian Minister at Tehran had already informed the Persian Government that, in the event of Major Stokes being entrusted with the organisation of the projected gendarmerie, Russia would demand something of an analogous nature for herself. Having received that morning your telegram No. 221 of the 1st instant to Sir George Barclay, I explained to M. Nératof that Major Stokes's appointment had been made irrespective of His Majesty's Government, and that they would have preferred that the Persian Government should have first consulted them in the matter. Sir George Barclay, I said, had now been instructed to inform the Persian Government that Major Stokes had been required to resign his commission before taking up his appointment, and to point out to them that, as his employment in any active operations in Northern Persia might involve political considerations, His Majesty's Government could not deprecate the objections that might be taken to it. I added that, when once Major Stokes had resigned his commission, His Majesty's Government could exercise no control over his action.

These explanations by no means satisfied M. Nératof, who expressed himself in a manner which showed that he regarded Major Stokes's appointment as most inopportune at the present moment. Referring to the possibility of that officer being employed in active operations against the ex-Shah, his Excellency drew my attention to the action taken by Russia last year in the case of the Persian prince, Darab Mirza, who was then serving in the Russian army, and commanding a sotnia of Cossacks at Kazvin. Having expressed a desire to resign his commission, and having subsequently attempted to raise a revolt against the present Government, Darab Mirza had been placed under arrest and sent to Russia; and his Excellency evidently wished to convey to me that the proper course for His Majesty's Government to pursue in Major Stokes's case was to refuse to accept his resignation and to recall him to England.

After the publication of the article in the "Novoe Vremya," of which I had the honour to forward a translation in my despatch No. 225 of the 3rd instant, I again called on M. Nératof, and, in accordance with the instructions conveyed to me in your telegram No. 411 of the 3rd instant, explained that it was very difficult, if not impossible, for His Majesty's Government to prevent Major Stokes taking service under the Persian Government if once he resigned his commission. You considered, however, that the Russian Government were entitled to object to his being employed in North Persia, and that, should they wish you to do so, you would instruct Sir George Barclay to inform the Persian Government that His Majesty's Government could not take exception to such an objection, and that the Persian Government would do well to take it into account.

While expressing his thanks for this communication, M. Nératof said that he feared that a protest of this kind on the part of the Russian Government would expose them to the retort that the Persian Government were in no way concerned with the Anglo-Russian agreement, under which Persia had been divided into a British and a Russian sphere of influence. He would, however, think over the matter, and see whether it was possible to find a formula which would get over this difficulty and which would at the same time command the support of His Majesty's Government.

M. Nératof sent for me on the following day, and again spoke of the grave anxiety which this incident was causing him. He regretted it more especially because it would show to the world that a serious disagreement had arisen between the two Governments and because Russian public opinion would believe that His Majesty's Government were supporting Major Stokes's appointment out of interested motives. Such an appointment was, moreover, a contravention of the principle on which the two Governments had hitherto acted, namely, that no subject of a European Great Power should be allowed to occupy any important post in the Persian service. He pointed out that at a moment when the Persian Government were engaged in a struggle for their very existence they would not give a thought to the projected Treasury gendarmerie, and would employ Stokes and any other forces that he might organise to fight the ex-Shah in Northern Persia. This, he thought, ought to be prevented at all costs, and he repeated the suggestion which he had made to me on the previous day, that His Majesty's Government should recall Major Stokes temporarily to London. There must, he imagined, be some formalities to be gone through before Major Stokes could leave the army that would serve as a pretext for such a step. If, however, His Majesty's Government were unable to act on this suggestion, it would be absolutely necessary that the two Governments should take some step that, while giving satisfaction to public opinion in this country, would demonstrate the solidarity of their interests in Persia.

His Excellency then read to me the draft of the two accompanying notes, which he suggested that the British and Russian Ministers at Tehran should respectively address to the Persian Government. The Russian note would enter a protest against Major Stokes's appointment and would state that Russia would regard it as an unfriendly act and would reserve to herself the right of taking such measures as she might deem necessary to safeguard her interests in Persia. The British note would express entire concurrence in the terms of the Russian note and would recognise Russia's right to take the necessary steps to protect her interests.

I pointed out that it might be difficult for His Majesty's Government to express entire concurrence in a note which virtually threatened armed intervention and suggested that the Russian Government might protest against the employment of Major Stokes in Northern Persia, and at the same time express their readiness to place at the disposal of the Persian Government the services of a Russian officer to organise a gendarmerie for the maintenance of order in those provinces. M. Nératof, however, adhered to the general tenor of his draft note, remarking that if Russian interests were threatened the Imperial Government would be obliged to intervene.

On the receipt of your telegram No. 419 of the 7th instant I informed M. Nératof that Sir George Barclay had been instructed to warn the Persian Government that they ought not to persist in engaging Major Stokes, except on the understanding that he was not to be employed in Northern Persia, and that, if they did so persist, His Majesty's Government would recognise the right of Russia to take what steps she thinks necessary to safeguard her interests. I added that, in view of the pressure which we had brought to bear on the Persian Government last year to organise a force under British officers for the purpose of protecting the southern trade routes, we could not deprecate the employment of Major Stokes in those provinces, but that you recognised that it would be contrary to the spirit of the Anglo-Russian Convention for His Majesty's Government to support that officer's employment in Northern Persia or to deprecate any objections which Russia might take to it.

In the course of the conversation which ensued, M. Nératof said that he feared that the Persian Government would insist on adhering to the terms of the original contract which they had made with Major Stokes. What, however, he was most anxious to obtain from His Majesty's Government at the present moment was some statement that would give a moral satisfaction to Russian public opinion and that would counteract the very unfavourable impression which this incident had created. Supposing that the Persian Government did agree not to avail themselves of Major Stokes's services outside the southern provinces, there was no guarantee that the gendarmerie which he was going to organise in those provinces might not eventually be dispatched on service to the north. Would His Majesty's Government, he asked, make a state-

ment to the effect that this would not be allowed? I said that they might possibly give an assurance that Major Stokes would not be employed in the north, but that they could not take any engagement as regarded the gendarmerie force which he might have organised. M. Nératof replied that this would not be sufficient, and that what he wanted was an assurance that the gendarmerie, which was a purely local force, should not be moved from the south to the north. I pointed out that it would be impossible for you to defend in Parliament an assurance that the Persian Government would not be allowed to dispose of the forces, of which it might dispose in the south, for service in the north, should the situation require it. His Excellency admitted that this would no doubt be difficult, and then suggested that, in the event of the command of the southern gendarmerie being entrusted to Major Stokes, you should declare your readiness to support Russia, should she eventually demand that the organisation of a northern gendarmerie should be given either to a Russian officer or to the subject of some minor Power, whom the Russian Government might put forward as a candidate. I said that I personally much preferred this suggestion to the one which his Excellency had previously made, but that I could not answer for His Majesty's Government.

M. Nératof then proceeded to say, that should, as he expected, the Persian Government persist in placing Major Stokes in command of a national gendarmerie for the whole of Persia, he hoped that you would promise to support any eventual demand which Russia might put forward for some appointment of an analogous character being given to a Russian officer. I asked whether he had any particular appointment in his mind's eye. His Excellency replied that the appointment of a Russian officer as chief of the staff might perhaps answer the purpose. I observed that I thought that there was but very little likelihood of the Persian Government complying with such a demand under the present circumstances. M. Nératof, therefore, explained that the Russian Government had no intention of putting forward any such request at this moment. He was not just now thinking so much of the Persian Government as of His Majesty's Government. What he desired was that you should, either by a statement in Parliament or by a communiqué in the press, make a declaration of the readiness of His Majesty's Government to support any demand for compensation that the Russian Government might eventually put forward in order that Russian public opinion might receive some moral satisfaction.

I have, &c.

GEORGE W. BUCHANAN.

Enclosure 1 in No. 294.

Proposed Note to be communicated to Persian Government by Russian Minister.

ME référant à la déclaration faite par moi au Ministre des Affaires Étrangères le 15 (28) juillet, année courante, j'ai l'honneur, d'ordre de mon Gouvernement, de porter à la connaissance du Gouvernement persan que le Gouvernement Impérial de Russie, pour des raisons expliquées en son temps au Gouvernement persan, considère l'engagement par ce dernier du Major Stokes pour la création d'une force armée, dite gendarmerie pour la perception des impôts, qui, entre autres, devra fonctionner aussi dans le nord de la Perse, comme incompatible avec ses intérêts, et que je suis chargé de protester contre la nomination dudit sujet britannique au poste de chef de la force en question. Cette nomination, si elle avait lieu quand même, serait envisagée par le Gouvernement Impérial comme un acte non amical de la part du Gouvernement persan envers lui, et le Gouvernement Impérial se réserverait, le cas échéant, de pourvoir lui-même aux mesures qu'il jugerait nécessaires pour la sauvegarde de ses intérêts dans le nord de la Perse.

Enclosure 2 in No. 294.

Proposed Note to be communicated to Persian Government by Sir G. Barclay.

D'ORDRE de mon Gouvernement, j'ai l'honneur de faire savoir au Gouvernement persan que, ayant pris connaissance de la note adressée, en date d'aujourd'hui, au Gouvernement persan par le Ministre de Russie et ci-jointe en copie, le Gouvernement britannique se rallie en tout point au contenu de ladite note. Tout en exprimant le

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regret que la proposition d'entrer au service persan ait été faite au Major Stokes sans avis préalable du Gouvernement britannique, ce dernier déclare qu'il reconnaît de ce chef au Gouvernement russe le droit de pourvoir aux mesures qu'il jugera nécessaires pour la sauvegarde de ses intérêts dans le nord de la Perse.

[31858]

No. 295.

Sir G. Buchanan to Sir Edward Grey. — (Received August 14.)

(No. 230.)

Sir,

St. Petersburg, August 9, 1911.

I HAVE the honour to report that the "Novoe Vremya" and other St. Petersburg newspapers continue to discuss with considerable warmth and some sarcasm the situation which has been brought about by the proposed appointment of Major Stokes by the Persian Government to organise the Treasury gendarmerie.

The "Novoe Vremya" complains that the Anglo-Russian agreement bears plentiful fruit in the shape of abstract declarations and assurances, but proves woefully barren when active measures are required. If the British Government cannot prevent one of its own subjects from flouting it and engaging in independent ventures on his own account contrary to its own expressed wish, of what value is the agreement of 1907? If it be true, moreover, that Great Britain has expressed her readiness to support the Russian protest at Tehran, what becomes of British prestige? Is it really necessary for the Government of the British Empire, in its struggle with an insubordinate subject, to call in the help of the rulers of a small and impotent Asiatic Power? If this be so, then in future, when signing any agreement with England, we must make a mental reservation as to the consent of various Mulks, Dowlehs, and Sultanehs.

On the 8th August the same paper compares the powerlessness of the British Government to control one of its own subjects with the influence exercised by the commander of the German cruiser at Agadir, who recently offered two British subjects his protection in a manner which showed that he had power to prevent or allow their expulsion as he desired. The logical conclusion of all this is, the paper continues, that agreements with Great Britain, in order to be valid, must be concluded with each British subject.

In its issue of the 9th August the "Novoe Vremya" bitterly criticises a Reuter telegram from Tehran, in which it is pointed out, while there are Russian, German, and Italian officers in the Persian service, there is not one British officer, and inferring that Major Stokes's appointment merely restores the balance in favour of England. It describes this telegram as an insult to Sir Arthur Nicolson, who, in August 1907, signed the Anglo-Russian agreement, by article 3 of which all existing concessions are to remain in force, while Russia binds herself not to interfere in the English sphere of influence, and England gives a similar bond with regard to the Russian sphere.

The article concludes: "Reference to the Russian, German, and Italian officers is beside the question. These officers occupied their posts previous to the agreement, and still occupy them in virtue of it and not in defiance of it. Major Stokes has accepted his appointment to a political post in defiance of the direct and indisputable conditions set forth in article 3 of the agreement. It seems to us that Sir Arthur Nicolson would be justified in reminding British diplomatic circles in Tehran of the substance of article 3 of the agreement, which he, as British Ambassador at St. Petersburg, signed with M. Isvolsky."

I have, &c.

GEORGE W. BUCHANAN.

[32074]

No. 296.

India Office to Foreign Office. — (Received August 14.)

Sir,

India Office, August 12, 1911.

WITH reference to your letter of the 21st March last, I am directed by the Secretary of State for India to say that, in accordance with Sir E. Grey's wish therein expressed, he has obtained the views of the Government of India on the proposed substitution, in the case of certain of the consular officers serving in Persia and Turkish Arabia, of members of the Levant Consular Service for servants of the Indian Government.

I am to enclose a copy of the Government of India's letter, and to invite reference to this office letter of the 25th February. The Marquess of Crewe finds himself in general agreement with the opinions held by the Government of India, but desires to offer the following remarks on points of detail.

As regards the Kerman appointment, the fact that the external trade of that province is almost entirely in the hands of Hindu merchants, and the improbability that the Trans-Persian Railway and its branches will alter the division of trade between India and the United Kingdom to the disadvantage of the former, appear to his lordship to furnish reasons for making no immediate alteration in the status of the consulate.

In paragraph 7 the Government of India incidentally raise the question of the appointment of military attaché at Meshed (which is the subject of a separate correspondence), and until that is disposed of the status of the Meshed consulate-general cannot conveniently be taken up.

With regard to the arguments in paragraph 10, while his Lordship recognises that the presence of an Indian escort often makes it more convenient that the consul should be an Indian officer, he is not prepared to admit that that must necessarily always be the case. On the other hand he would deprecate an immediate reversion to the practice of recruiting Persian gholams for the protection of consulates. He is very doubtful, for example, whether the recent attack on the consulate at Shiraz would not have had much more serious consequences had it not been for the presence of the Indian escort.

In view, therefore, of the opinions expressed by the Government of India of the considerations set forth above, and in this office letter above quoted, and of the undesirability on general grounds, of any far-reaching alterations in British establishments while conditions in Persia and Turkish Arabia remain so unsettled, Lord Crewe trusts that Sir E. Grey will be satisfied with the general assurance given by the Government of India in paragraph 3 of their letter, and will not further press his proposals.

I am, &c.

LIONEL ABRAHAMS.

Enclosure 1 in No. 296.

Government of India to the Marquess of Crewe.

My Lord Marquess,

Simla, July 6, 1911.

WE have the honour to refer to Lord Morley's secret despatch No. 13, dated the 31st March, 1911, in which we were asked to furnish our views in regard to the proposed substitution of officers of the Levant Consular Service, for those of the Indian Political Department in certain consular appointments in Persia, and at Bagdad.

2. The recommendations contained in Sir C. Hardinge's letter of the 20th February, 1909, regarding the redistribution of posts as between the Levant Consular Service and the Indian Political Department, were based, primarily, on motives of economy; and the conclusions arrived at were influenced by two principal considerations: (a) the efficient conduct of affairs by the consular officers at Tabreez and Ispahan during the troubles in Persia in 1908, and (b) the change in the political situation effected by the conclusion of the Anglo-Russian agreement.

3. As your Lordship observes in your despatch of the 25th February, 1911, to the Foreign Office, to which Lord Morley has invited our special attention, considerable economies have already been effected by the Government of India in regard to the consulate-general at Meshed and the consulate in Seistan, while the Turbat-i-Haidari consulate has been abolished. The assumption that similar action will be taken as regards Bushire and the consulates in the Persian Gulf is correct.

We hope shortly to submit to your Lordship a detailed report on this subject. In examining the question of possible reductions of personnel, we have given full consideration to the recommendations contained in paragraph 4 of the letter of the 4th January, 1910, from His Britannic Majesty's consul in Seistan, to which Sir E. Grey refers in his letter of the 20th January, 1911, but we are not prepared to accept Major O'Connor's suggestions without modification, or to admit that arrangements which may be suitable to the conditions prevailing in Seistan are necessarily appropriate to consulates elsewhere in Persia. We do, however, realise that the cost of Indian consular establishments is generally on a higher scale than that of consular posts

held by officers of the Levant Consular Service, and it will be our constant endeavour to equalise as far as possible the expenditure of the two consular services in Persia.

4. In considering the question whether the transfer of any particular appointment from the Indian Political Department to the Levant Consular Service is or is not advisable, local circumstances and the predominance of Indian or Imperial interests must be taken into account. We do not propose to attempt in this despatch to define the localities in Persia in which Imperial or Indian interests respectively predominate. We need only refer your Lordship to the despatch from Lord Curzon's Government, dated the 21st September, 1899, in which the subject was exhaustively discussed.

Broadly speaking, the general conclusions then arrived at were that in the northern, central, and western sphere the responsibility of His Majesty's Government was directly involved, while on the eastern and southern or maritime sphere Indian interests predominated. Although the course of events in the middle east has tended to divert attention from eastern to south-western Persia, and to increase the political importance, and the interest for India, of the latter locality, the geographical divisions suggested by Lord Curzon's Government in our opinion may fairly be held to represent the respective spheres of interest of the Imperial and Indian Governments.

5. A scheme of distribution of the consulates in Persia as between the Levant Service and the Indian Political Department, based on this division of interest, would closely coincide with existing arrangements, the Ahwaz consulate alone falling within the Imperial sphere. But the proposals, which we understand Sir E. Grey to advocate, involve the transfer to the Levant Service of the Bagdad Residency and of all consulates in Persia, except Seistan including Birjand, and those on the Persian Gulf littoral. The Persian appointments which would thus fall to the Levant Service include the Meshed consulate-general and the Kerman and Ahwaz consulates. We assume that there is no question of making any change in the case of the Mohammerah consulate, which has recently been transferred to our control in exchange for Kermanshah, and which can appropriately be classified among the consulates of the Persian Gulf littoral. It would undoubtedly be of advantage that, with the express object of obtaining influence over the wild tribes of Luristan, an officer of the Indian Political Department should occupy, at least temporarily, the post of vice-consul at Ahwaz, but we are not prepared to maintain that there is any necessity for this post being permanently occupied by an Indian officer. With the development of the oil industry in its neighbourhood and the possible construction of a railway from, or through, Ahwaz to Khorremabad, there is no doubt that there will be a considerable expansion of trade in the valley of the Karun, and when that moment arrives it will be desirable to appoint to Ahwaz a consular officer with commercial training, such as is found in the Levant Consular Service. There is no reason why British influence with the Bakhtiari or Lur tribes should in any way suffer by the eventual appointment of an officer of the Levant Service to Ahwaz, since it is well known that our relations with the Bakhtiari were of the best when communications passed with them through His Majesty's consulate-general at Ispahan.

6. The consulate at Kerman has for several years been in existence, and was filled by Major Sykes when he was an official of the British Government. It has latterly been filled by an officer of the Indian Political Department. Kerman will, if the Trans-Persian Railway is built as an Anglo-Russian undertaking, be the point, or in close proximity to the point, of junction of the English and Russian lines, and will become a centre of considerable commercial importance. When this situation arises it will be of decisive advantage that the officer holding the post of consul at Kerman should be a person of commercial experience, such as can be recruited from the Levant or General Consular Service. The advantage of the post being now held by an officer of the Indian Political Service is not conclusive.

7. We recognise that Meshed is a consular post where useful information of a military and political character may be obtained from Afghanistan and Trans-Caspia. We have recently advocated that the post of military attaché at Meshed, created expressly to report upon the movements of Russian troops on the Afghan frontier during the Japanese war, should be now abolished, and the duties of the military attaché transferred, as formerly, to the consul-general, who is a military officer. Were the consul-general to be a civilian of the Levant Service it would be necessary to retain the post of military attaché that we now wish to abolish, and in the circumstances, it would be best not to reverse this policy at present. Certain economies have been effected in the establishment of the consulate-general at Meshed, and the abolition of the military attachéship will make a still further saving. It should at the same time be borne in mind that Meshed is in the Russian sphere, within

a few miles of the Russian frontier, and a city with vast Russian commercial interests, and there is no sound reason, political or otherwise, for rivalry between the establishments of the British and Russian consulates-general in that city.

8. So far as concerns the Bagdad consulate-general, we have little to add to the arguments against any change in the *status quo* which are set forth at length in Lieutenant-Colonel Ramsay's letter of the 7th August, 1909, a copy of which forms an enclosure to this despatch. We observe that His Majesty's Ambassador at Constantinople expressed his entire concurrence with Lieutenant-Colonel Ramsay's views, and was opposed to the transfer of the appointment.

The development which has taken place in Mesopotamia since Lieutenant-Colonel Ramsay's letter was written serves to emphasise the necessity for avoiding carefully any change which may be interpreted as a sign that our interest in the country is diminishing. With the progress of irrigation and agriculture the interest of the Indian Government in the country is likely to increase. Already, we may mention, owing to the extensive employment of Indian labourers, Sir John Jackson has applied to us for the loan of the services of a medical officer. In the circumstances it appears to us clear that an Indian political officer, with personal experience of tribal management and of revenue work, must be better qualified to co-operate and gain influence with the Turkish authorities than an officer of the Levant Service, who has never known executive responsibility.

9. Apart from the arguments which have been adduced in the foregoing paragraphs regarding some of the proposed changes in the existing distribution of appointments, there is a further consideration of a more general character to which we desire to invite your Lordship's attention.

It has reference to the employment of Indian troops in Persia. In the past few years, the exigencies of the political situation have necessitated the despatch of Indian troops to Bushire, Shiraz, and Bunder Abbas. The possibility of a similar contingency arising in the future seems to us to demonstrate the advisability of retaining in posts, which are likely to be brought into touch with Indian troops, officers whose experience fits them to deal with them. We are aware that consular officers of the Levant Service are of necessity provided with Indian military escorts, but the instances are not at present numerous. The danger of trouble arising in their relations with their escorts owing to their lack of military knowledge and Indian experience leads us most strongly to deprecate the multiplication of these instances. In support of this position we desire to refer your Lordship to the remarks recorded by Mr. Consul Smart in his letter, dated the 7th February, 1911, to the Foreign Office.

10. On the other hand, although all consular officers naturally prefer to have an Indian escort, it is not out of place here to remind your Lordship that it is only of recent years that the distribution of Indian escorts has become general. The original reason for the despatch of Indian troops as escorts to Tehran and other inland posts was the presence at Tehran and elsewhere of Russian Cossacks, and the desire of His Majesty's Government to show that the privilege of a military escort in the capital and at consular posts in Persia was not confined to Russian agents alone. Previously, consular and legation guards had been recruited from warlike tribes, and were generally sufficient for all purposes. To meet the risk of trouble arising in the relations between consular officers of the Levant Service and their Indian military escorts there is now no real reason why those officers should not revert to the escorts of Persian Ghodams, who were formerly attached to them. Considerable economies might also be effected in this way.

11. In conclusion, we desire to express our entire concurrence in your Lordship's view that, although in the present financial condition of India, the reduction of expenditure is both urgent and necessary, the political interests of Great Britain and India in the Middle East should not be made entirely subservient to that consideration.

We have, &c.

HARDINGE OF PENSHURST.
O'M CREAGH.
GUY FLEETWOOD WILSON.
J. L. JENKINS.
R. W. CARLYLE.
S. H. BUTLER.
SEYYID ALI IMIM.
W. H. CLARK.

Enclosure 2 in No. 296.

Lieutenant-Colonel Ramsay to the Government of India.

Bagdad, August 7, 1909.

IN accordance with the instructions contained in Foreign Department telegram No. 285 S., I have the honour to submit my views on the proposal to transfer the consulate-general at Bagdad from the Indian to the Levant Consular Service.

2. In the India Office the Bagdad post appears to have been treated as if it was on all fours with the consular posts in inland Persia, but I venture to suggest that the proposal to withdraw an Indian officer from Bagdad should be considered on its merits without reference to inland Persian posts. Such of the latter as are held by officers of the Indian service are, to the best of my belief, of comparatively recent creation; they have never been, and have never pretended to be, more than consular posts, and our representatives have probably to deal with no large Indian population, except at Meshed. At Bagdad the reverse is the case. The Bagdad Residency has a traditional influence acquired by more than a century of liberal expenditure. There is no comparison between the style in which it is maintained and the style of the establishments kept up by other Powers. It dates back to the time when the Government of India used to make treaties with the Pasha of Bagdad, when the resident had under his orders a flotilla of gunboats which used freely to navigate the waters of Mesopotamia, when the resident was in touch with the chief Arab sheikhs of the country; in fact, it may truthfully be said that at one time the resident at Bagdad was the most powerful man in Mesopotamia. I have read in the old records letters from the Pasha of Bagdad asking the resident to assist with his ships at Bussorah and against the Arab tribes, and asking for his advice in international questions. All this has changed with the introduction of the telegraph and better means of communication, the introduction of a more centralised Government into Turkey, and the appointment of consular representatives of other Powers. So much has it changed that Europeans who have not studied the history of the post are apt to forget the past. The Arabs, however, except that they are better armed, are very much what they were 100 years ago; for information and guidance they rely more on tradition than on the telegraph, and the result of this is that they consider the English as *the* foreign nation. The Turks they despise and hate as a corrupt and inefficient body of robbers and cheats, while they have been taught in the past to trust the word of an Englishman and to believe in the real power that lies behind him. Their traditions tell them that we are in a different plane from other nations, and when they compare the British establishment with other consulates they feel convinced that there has been no real change. I will give a few instances to show what I mean:—

Only a few days ago the Nakib of Bagdad, the most influential Sunni Mahommedan in the country, when talking to Sir William Willcocks, pointed to the new residency buildings and said that he and others looked upon our expenditure and establishment here as a sure sign of the interest we have in the country. How would the uneducated sheikhs be likely to interpret visible reductions?

It will be remembered that our steamers were fired on in 1906 and again in 1908. I think no one doubts that the Arabs fired on us because they wanted us to force the Turks to treat them justly. They had no quarrel with us, and they had a feeling that justice would be done to them if we could be dragged into their quarrel. After the second attack I took pains to let it be known that the Arabs were mistaken in supposing that they could force us to be their advocates by such methods, and during the very serious river disturbances of 1909 the British steamers, when they were alone, were only once molested by a few irresponsible Arabs, and the only time that the British steamer was seriously attacked was when she was in company with Turkish steamers carrying large numbers of troops for offensive purposes.

One night when I was going down the Tigris in the "Comet" we reached the village of a sheikh who expressed a wish to see me. Unfortunately, the message was not delivered to me till we had left. I was then informed that he had said: "This is our ship and our beg (officer); how is it that he was not able to see us?"

Going down the Euphrates as the guest of Sir William Willcocks, when we got to the most disturbed part of the river near Suk-esh-Sheyukh, the Turkish official who was with us begged us to pull down the Turkish flag and hoist the British flag, as he said that we should otherwise certainly be fired at.

When Sir William Willcocks was arranging for the survey of the country between

the Tigris and the Euphrates near Bagdad, he saw a number of the influential sheikhs of the powerful Delaim tribe. They said that his operations might have very serious consequences for them, and that they could not allow the work to go on unless Sir William gave his promise as an Englishman that the survey should be done by Englishmen, and that no engineering proposals should be made which would be hurtful to the Arabs. The sheikhs said that they would accept no promises made on behalf of the Turkish Government, but they wanted the word of an Englishman, because they knew from experience that they could trust it.

3. The Arabs judge by experience, tradition, and appearances. Whether our reputation among them is worth what it has cost us in the past is not the question that need now be considered, but rather the question whether we should at the present time do anything that may diminish our influence.

There is no Anglo-Russian agreement in force at Bagdad, and the Turks seem to be quite incapable of governing the country.

On the Lower Euphrates they are unable to collect any revenue even within gunshot of the Naseriyeh Fort; on the greater part of the Lower Tigris they are able to collect very little, and there are annual military expeditions to the east and west to collect revenue. In fact, I think I am only expressing the universal opinion when I say that the Turks do not govern the country, and that their position is precarious. Turkish rule in Arabia may of course continue for many years, but there is always a possibility that the Arabs will oust it. If Sir William Willcocks's schemes are carried out, external pressure will force the Turks to introduce some semblance of decent government, but the initiative will in that case have to come from foreigners, for the Turks have no means of experience in the art of civilised government.

4. I am therefore strongly of opinion that no change should be made in Bagdad which might be misunderstood by the sheikhs until it is definitely known whether this country is going to be really developed or not. If it is not, an occasion may at any time arise when we shall have need of all our influence; if it is developed, Bagdad will be brought into railway communication with the Mediterranean, and it would then cease to lose its isolated position and its importance as an outpost of British interests.

5. I have tried to show above that it would be unwise in the present critical state of Turkish affairs materially to reduce the style and status of the British representative at Bagdad. There would not be any great saving unless the "Comet," the residency surgeon, and the sepoy guard were abolished. The saving on the consul-general's salary would not perhaps be as large as at first appears, for it would surely be considered fair to give a man more for living in Bagdad than for living, say, in Salonica or Beirut, and he would no doubt expect concessions in the way of leave and counting his service for pension.

It may be argued that there would be a great saving in the cost of the office establishment. Here, again, it would be unwise to draw inferences from other posts in Turkey. I do not think that elsewhere the courts can be as dilatory and inefficient as they are here; cases of the simplest nature are heard day after day, and an immense amount of the dragoman's time is taken up without result. At most places the British subjects are probably Europeans of respectable position, but at Bagdad, including Karbala, there are about 1,800 Indians who are registered as British subjects. These have mostly been born in the country of Arab or Turkish mothers, and have become landowners united by many ties with the people of the country, with the result that there are sometimes two or three cases in the courts on the same day at which the British dragoman has to attend. He often has to attend the court at Kadhimain, which is about 5 miles from Bagdad.

The office establishment might be less well paid, but it would be less efficient, and the saving would not be very great. I have ventured to lay my views before his Excellency the Ambassador in regard for the need for increasing the office establishments maintained by consular officers, and I enclose (Appendix) copies and extracts of some letters which I have received; these show that the result of an efficient office establishment is appreciated, if the necessity for it is not admitted.

6. The Foreign Office, in addition to urging financial grounds for transferring Bagdad to the consular service, has urged that the consul-general should be under the sole control of the Ambassador at Constantinople, and that Indian political and commercial interests would not suffer by the change. I have certainly considered myself while at Bagdad as entirely under his Excellency's orders, and I have seen nothing in the records to show that my predecessors have held a contrary opinion. Consequently it seems to me that the argument that the consul-general should be

under the sole control of the Ambassador is sufficiently answered by the statement that he already considers himself so.

I venture to think that an officer with Indian experience can more usefully serve the political and commercial interests of India than can an officer of the consular service.

As regards commercial interests, an officer of the consular service would be at a disadvantage, because he would probably know little about the products of India; he would not know the best sources of information, and he would be able to supply enquirers with little first-hand knowledge. These difficulties might of course be partially met by addressing all communications to the Government of India and leaving it to that Government to send them on to the person concerned, but the fact would always remain that an officer of the consular service would lack that personal interest in India without which he could no doubt work with honest effort, but not with enthusiasm.

It is the political interests of India which will, I think, suffer most by the withdrawal of an Indian officer. Since the consul at Bussorah has been appointed from the Levant service the resident at Bagdad is the only officer in Turkish Arabia with any knowledge of India and Indians. There is not only a resident population of about 1,800 Indians, but there are large numbers of pilgrims who pass through on their way to Karbala and Nejef, and Sir William Willcocks has proposed importing 15,000 Indian labourers. Whether he does or not, if the irrigation of Mesopotamia is undertaken, the Indian population will largely increase by the immigration of traders, artisans, and labourers, many of whom will probably settle down in the country.

This office has a great deal of work connected with India. It distributes the Oudh Bequest, which amounts to 8,000*l.* a-year; it pays a number of pensioners and wasikadars; it finances the whole establishment by cheques drawn on the Government of India; it has the control of the post office; and it is continually being applied to for assistance by Indians. Pilgrims of all classes come here, and often find themselves in difficulties, generally of a pecuniary nature. Some are gentlemen of position; some are or have been servants of Government; some come from the native States, including distant parts of Kashmir; and some are little more than beggars. It requires a good deal of experience of Indians correctly to distinguish the deserving from the undeserving. To some I give money, to others I give loans, and some I decline to help. So far I have made no bad debts, but I doubt if a consular officer would be equally fortunate. He would not have the experience to enable him to judge between different claimants, and he would not have sufficient knowledge of India to enable him to ascertain the probability of recovering money lent. I think that the help given to Indians in trouble must have a good effect on the Mahomedans of India, and it would not be to our political advantage for the Mahomedan Anjumans to think that the interests of their co-religionists were being less well looked after than in the past.

It is very difficult for uneducated Indians to explain their troubles to a man who understands neither their language nor their country. On one occasion a man came all the way from Jaffa to Bagdad to see me, because he said that he and his companions had been put in the gaol and he could get no assistance, so he had come to Bagdad to ask help of the *sahib* from India. I found that he was a British Indian subject, but he had been refused assistance because, in reply to a question, he had said that he was an Afghan. He was an Afghan by race, but he was a resident of the Kohat district, and some of his companions were also British subjects.

Considering that India, according to the latest information at my disposal, pays 1,400*l.* a-year for the consulate at Bussorah, and will pay half the cost of the Bagdad establishment, it seems fair that at least at one place there should be an officer of the Indian Government.

As resident, I do many little services for Indians free of charge for which I should have to charge consular fees if I did them as consul-general. It is perhaps not a very important matter, but little kindnesses are much appreciated by Indians. Here they feel like strangers in a strange land, and seem delighted to meet a responsible officer who understands their difficulties.

7. Sir William Willcocks and the schemes which he is preparing seem to me to form the chief factors in the problem. If his schemes are not carried out, it is difficult to see how the Turkish finances are to be put on a sound basis and a decent government established; while without these supports the Ottoman Government can scarcely hope to withstand the strain that will be put upon it by internal dissensions over a large area in which the Turks are foreigners neither liked nor respected.

Should the schemes be carried through they will probably attract a large number

of Indians, and they will certainly lead to a period of great commercial activity which will not allow of any reductions in the office establishment. If the schemes are carried out with British capital, it seems clear that we shall require some guarantee that the money is properly spent, and that in important matters of local administration our views receive respectful consideration. The financial control might be arranged through a bank perhaps, but the political control could best be exercised by the resident and consul-general. For work of this kind I cannot help thinking that an officer of the Indian Political Department would be best fitted. He is likely to have had experience of advising native chiefs; of directly administering a district; of dealing with Mahomedan tribes; and of judicial work. A consular officer has probably enjoyed few of these advantages, while he would not even have had the advantage of seeing an Oriental country well governed. In the matter of advising a vali on practical questions of administration, the consular officer would be to the officer of the Indian Political Department as an amateur is to an expert.

8. Further, I think it is against the interest of the Young Turk Government that anything should be done which the Arabs can take as a sign that our interest in this country is diminishing. The employment of Sir William Willcocks and a number of British engineers is taken as an unmistakable sign that the present Turkish Government enjoys our friendly assistance and approval. But for this the survey parties would never have been able to move about freely as they have done in the tracts where Turkish authority is no more than nominal. I have confidentially consulted Sir William Willcocks on the proposal to reduce the status of the residency and consulate-general, and he tells me that he would consider any reduction as a most serious impediment to his work. He says that his surveys have only been possible owing to British influence and the confidence which the Arabs have that we will do nothing to injure them. He has gone so far as to say that, if there is any sign of our withdrawing, in outward appearances, from our paramount position in Mesopotamia, he will not feel justified in taking the risk of sending survey parties into outlying and disturbed parts of the country. I have personally no doubt that unsupported by British influence the Turkish Government would be unable to arrange for the surveys.

9. His Majesty's Ambassador is inclined to favour the construction of a railway from Bagdad to the Mediterranean by British capital or under British control. Such a railway is essential to the development of the country, but perhaps it cannot be constructed without raising questions regarding the railway rights of German and French groups. It seems to me important that we should keep up all external appearances of influence and power until discussion of this subject is closed, for the more we show our determination to keep the position we have earned by a century of sacrifice and expenditure, the better terms we are likely to get.

10. I am addressing you in a separate communication regarding certain confidential matters concerning Sir William Willcocks.

11. Put briefly, the arguments which I have ventured to urge are as follows:—

The question of a change at Bagdad should be considered separately from questions connected with inland posts in Persia, because for more than a century Bagdad has been maintained in a style out of all proportion to foreign consulates here: the resident has in the past exercised a unique influence in the country, and in the estimation of the people he still enjoys much of his past power, but he is likely to lose this if reductions are insisted on.

The inland Persian consulates are of recent creation, and have not the same close connection with large Indian interests.

The present is the worst possible moment for making reductions. The Turkish Empire is practically in a state of revolution, it rules an alien population which detests it, and this is especially true of Turkish Arabia. It is in financial straits, and its only means of escape seems to be the development of Mesopotamia. If irrigation works are carried out it will be convenient to have at Bagdad as British representative an officer who has had some experience of governing in oriental countries. If irrigation is not introduced the hold of Turkey on the country is precarious. Should the Arabs prove too strong for the Turks we shall need all our influence.

Very little will be saved by changing the Indian officer for a consular officer unless the "Comet," doctor, and sepoy guard are abolished. The abolition of these would be locally interpreted as an inclination to withdraw from our position. The Turks are not strong enough to get the irrigation surveys completed, and the engineers working under Sir William Willcocks have only been able to go to all parts of the country because they were Englishmen.

If the Arabs think that our interests in the country is waning, Sir William

Willcocks will hesitate to send out his parties, and thus for a small saving the early development of this rich country may be jeopardised.

It is to our interest in India that there should be at least one officer of standing in Turkish Arabia who can understand and appreciate the difficulties of the large Indian population, both permanent and floating.

If reduction is desirable the most suitable time for bringing it into force will be when Bagdad is brought into railway communication with the Mediterranean.

12. I should perhaps state in conclusion that my opinions are not biassed by any personal consideration, however unconsciously, for I some months ago asked the Government of India to allow me to leave Bagdad shortly, and since I began the preparation of the letter I have been offered an appointment in India.

P.S.—I have examined the first 500 entries in my register of letter received in 1908, with the following result:—

Letters from India	262
Other letters	226
Letters from embassy.. .. .	12
	500

APPENDIX.

(1.)

Sir N. O'Connor to Lieutenant-Colonel Newmarch.

Constantinople, September 4, 1906.

I HASTEN to express to you my best thanks for your despatch No. 67 of the 6th August, with its very interesting enclosures, regarding the probable demand for mechanical pumps in Mesopotamia.

I appreciate your efforts on behalf of British trade, and I am writing to draw the particular attention of the Foreign Office to the opening for British manufactures, which you have brought to the notice of the Board of Trade.

I sincerely trust that you will continue to give the matter your attention, and that the assistance you are rendering to British commerce in Mesopotamia will be attended with satisfactory results.

(2.)

Sir N. O'Connor to Lieutenant-Colonel Newmarch.

Constantinople, January 30, 1907.

I have received your despatch No. 30 of the 31st ultimo, enclosing copy of your letter to Messrs. Raffael Brothers respecting the market for high speed looms in Mesopotamia. It is with great pleasure that I have learnt of your action in the matter, and I am convinced that such enterprise on the part of consular officials and British trade agents is calculated to produce satisfactory results.

(3.)

Sir N. O'Connor to Lieutenant-Colonel Newmarch.

Constantinople, April 16, 1907.

I have the honour to acknowledge the receipt of your despatch No. 22 of the 19th ultimo, reporting the steps which you have taken to bring to the notice of British firms the requirements of the concessionnaires of the Nejef Kufa Tramway in respect of plant and carriages, and I wish to express my warm approval of the activity which you have displayed in this and other kindred matters.

(4.)

Sir G. Lowther to Major Ramsay.

Constantinople, March 17, 1909.

I forwarded to His Majesty's Principal Secretary of State for Foreign Affairs Major Ramsay's despatch No. 115 of the 16th October last, on the subject of the right of British vessels to navigate the Tigris above Bagdad, and I have now received instructions from Sir E. Grey to convey to Major Ramsay the thanks of His Majesty's Government for his interesting report.

Should events or special circumstances suggest or favour an opportunity of navigating the Tigris above Bagdad, there is no objection to Major Ramsay taking advantage of it.

(5.)

Sir G. Lowther to Major Ramsay.

Constantinople, December 12, 1908.

I forwarded to His Majesty's Principal Secretary of State for Foreign Affairs copy of your despatch No. 84 of the 22nd August, forwarding a note on consular efforts made to encourage trade in Bagdad during the last two years, and I have now received a despatch from Sir Edward Grey in reply, requesting me to express to you his thanks for your concise and interesting report, and his appreciation of the energy and enterprise which it shows. Copies of your report have been circulated to His Majesty's consular officers in Turkey and Asia Minor.

Sir Edward Grey is considering, in consultation with the Board of Trade, your proposal that in future similar reports should be required from the consular officers for circulation among their colleagues in the country in which they reside.

(6.)

Board of Trade to Foreign Office.

Board of Trade, May 3, 1909.

I am directed by the Board of Trade to advert to your letter of the 4th December, transmitting copy of a despatch from His Majesty's Ambassador at Constantinople, with notes by His Majesty's consul-general at Bagdad, in regard to the promotion of British trade in his consular district.

With reference thereto, I am to say that the Board fully concur in Sir Gerard Lowther's remarks as to the great credit which is due to Major Ramsay for the pains which he has taken in this matter, and the success which has been achieved.

I am accordingly to suggest that, should Sir E. Grey see no objection, an expression of the Board's appreciation of his work in the interests of British trade, and of the notes transmitted by His Majesty's Ambassador at Constantinople, may be conveyed to Major Ramsay, together with their thanks for the assistance rendered by him to Mr. C. E. Akers in the course of his recent enquiry.

(7.)

Board of Trade to Lieutenant-Colonel Ramsay.

Board of Trade, July 9, 1909.

Assuring you of my most earnest desire to second your strenuous efforts in the direction of helping British trade.

[32072]

No. 297.

India Office to Foreign Office.—(Received August 14.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of the Marquess of Crewe, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 10th August, relative to Major Stokes.

India Office, August 12, 1911.

Enclosure in No. 297.

The Marquess of Crewe to the Government of India.

(Telegraphic.) P.

India Office, August 10, 1911.

ACTION on my telegram dated 2nd August, 1911, regarding Stokes should be suspended.

[32071]

No. 298.

India Office to Foreign Office.—(Received August 14.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of the Marquess of Crewe, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 10th August, relative to the Parsee school at Tehran.

India Office, August 12, 1911.

Enclosure in No. 298.

The Marquess of Crewe to the Government of India.

(Telegraphic.) P.

India Office, August 10, 1911.

PLEASE let me have your views on subject of Parsee school at Tehran. See telegram dated 4th August from His Majesty's Minister.

[32277]

No. 299.

Sir G. Barclay to Sir Edward Grey.—(Received August 15.)

(No. 331.)

(Telegraphic.) R.

Tehran, August 15, 1911.

SWEDISH gendarmerie.
Officers have arrived.

[32278]

No. 300.

Sir G. Barclay to Sir Edward Grey.—(Received August 15.)

(No. 332.)

(Telegraphic.) R.

Tehran, August 15, 1911.

HIS Majesty's consul-general at Ispahan reports that Zieglers have lost two bales in a further robbery on Bakhtiari road.

He also reports wholesale plundering of caravanserai at Sarakhum, on Bakhtiari road. Practically all goods stored there, including some belonging to Mr. Lynch, carried off.

[31834]

No. 298*.

Sir Edward Grey to Sir G. Buchanan.

(No. 439.)

(Telegraphic.) P.

Foreign Office, August 14, 1911.

STOKES.

Inform Acting Minister for Foreign Affairs of Persian reply reported in Sir G. Barclay's telegram No. 326 of the 12th August, omitting paragraphs 6 and 8, and say that, pending further developments, we will not accept Major Stokes's resignation, but that otherwise I think all I can do is to repeat the warning I instructed Sir G. Barclay to give on the 7th August (see my telegram No. 226 to Tehran).

[31789]

No. 301.

Foreign Office to Board of Trade.

Sir,

Foreign Office, August 15, 1911.

WITH reference to previous correspondence relative to the question of railway construction in Persia, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a further communication from Mr. Greenway enclosing a summary of the contract which the Persian Railways Syndicate propose to submit to the Persian Government.

As regards the third and fourth paragraphs of Mr. Greenway's letter itself, I am to enquire what are the views of the Board of Trade. It would probably be easier to obtain a concession based on the system described in the 3rd paragraph, but it has the disadvantage that the Persian Government would be able at any time, if they could produce the money, to buy out the British company at two years' notice.

The Board would doubtless be able to advise Sir Edward Grey as to the system which is generally adopted in the case of construction in foreign countries by British companies.

Sir E. Grey would prefer that the stipulation that disputes between the contracting parties should be settled by His Majesty's Minister at Tehran (article 22) should not form part of the agreement.

I am to require that a reply may be returned to this letter with as little delay as may be convenient.

I am, &c.

LOUIS MALLET.

[31789]

No. 302.

Foreign Office to India Office.

Sir,

Foreign Office, August 15, 1911.

WITH reference to the letter from this Office of the 5th instant relative to the question of railway construction in Persia, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a further communication from Mr. Greenway enclosing a summary of the contract which the Persian Railways Syndicate propose to submit to the Persian Government.*

As regards the 3rd and 4th paragraphs of Mr. Greenway's letter itself, I am to enquire what are the views of the Marquess of Crewe. It would probably be easier to obtain a concession based on the system described in the 3rd paragraph, but it has the disadvantage that the Persian Government would be able at any time, if they could produce the money, to buy out the British company at two years' notice.

As regards the terms of the contract, Sir E. Grey is disposed to inform Mr. Greenway that the inclusion of the customs receipts of Southern Persia among the securities assigned by article 7 for the provision of the interest on the bonds to be issued in connection with the construction of the line, is inadmissible, these revenues, as he is aware, being already pledged to His Majesty's Government.

Sir E. Grey would also prefer that the stipulation that disputes between the contracting parties should be settled by His Majesty's Minister at Tehran (article 22) should not form part of the agreement.

I am to require that a reply may be returned to this letter with as little delay as may be convenient.

I am, &c.

LOUIS MALLET.

[32346]

No. 303.

Mirza Mehdi Khan to Sir Edward Grey.—(Received August 16.)

THE Persian Minister presents his compliments to Sir Edward Grey, and with reference to the conversation he had the honour of having with his Excellency on the

* No. 283.

11th instant, begs now to enclose translations of various telegrams which he had received from his Government and which he read to Sir Edward Grey on the 11th instant. Mirza Mehdi Khan thinks it superfluous to repeat what he told his Excellency regarding the astonishing attitude of the Russian agents in Persia. But he would most earnestly beg Sir Edward Grey to bring under his serious consideration these facts and those contained in the telegrams, translations of which Mirza Mehdi Khan enclosed in his communication of the 31st ultimo.

It is beyond dispute that all these acts of the Russian authorities not only encourage the enemies of the Persian Government but they constitute a direct and serious infringement of the independence of Persia. The Russian Legation in Tehran pays no attention to the representations of the Persian Government. The Persian Minister had the honour of telling Sir Edward Grey that when the Persian Government informed the Russian Minister in Tehran of the activity of the ex-Shah and the arrival of his emissaries in Russia, and asked the Russian Government to take steps to put a stop to these intrigues and to arrest the emissaries, the Russian Minister treated the matter lightly; he blamed the Persian Government for delaying the settlement of various petty and disputed claims of Russian subjects, and went on to say that in view of these facts the Persian Government must not expect Russia to come to their help.

This amazing attitude of the Russian Minister could not but produce the worst impression.

Persian Legation, August 14, 1911.

Enclosure in No. 303.

Summary of telegrams received by Mirza Mehdi Khan on August 5, 1911.

(1.)

WHEN the Nationalists came into power the new Government intended to abolish the Cossack brigade, but at the request of the British and Russian Legations they agreed to its continuance on condition that it should remain under the direct control of the Minister of War and should not disobey on any occasion; now, not only they do not obey the Ministry of War but they make excuses whenever it is desired to send them to the provinces. What is more, those Cossacks who are in the provinces are being gradually recalled to Tehran. What is strange is that the Cossack brigade wishes to maintain a neutral attitude; but what is more strange is that they openly take up the cause of the ex-Shah. For example, recently one of the Cossack officers, who had been recalled from Meshed, when he arrived at Shahrud he went to Astrabad, and telegraphed quite openly to the brigade that he went to Astrabad in obedience to Imperial orders—meaning ex-Shah's orders. Again, the chief of the brigade, in course of conversation with the Minister of War, stated that our duty is only to protect foreign subjects.

(2.)

ACCORDING to telegraphic reports received from Persian officials in Baku six naval officers arrived there from St. Petersburg and brought Mohammed Ali Mirza to the Persian frontier in a Russian boat, and at the present time there is a boat stationed near the coast at the disposal of the ex-Shah. Another telegram has been received from the Persian consul at Askhabad stating that the "Khan of the Ports," who is a colonel and is in the Russian general staff, has left Askhabad apparently in order to assist the ex-Shah. Further, it has become evident that a member of the Russian consulate-general in Tehran is actively taking up the cause of the ex-Shah and corresponds with him through an intermediary and a sum of money has been collected for him at the Russian bank.

Kamran Mirza, uncle of the ex-Shah, is continually instigating people to take refuge at the Russian Legation and his own men cause all sorts of disturbances. The Russian Legation gives no assistance whatever. Regarding the case of Rashid-ul-Mulk the Russian Legation's reply has been received. They in no way give satisfaction to the Persian Government, and raise all sorts of irrelevant points. Bring these facts to the notice of Sir Edward Grey at length and ask whether this is conformable with the policy of non-interference and neutrality which Russia states she has decided to pursue.

[32367]

No. 304.

Sir G. Buchanan to Sir Edward Grey.—(Received August 16.)

(No. 181.)

(Telegraphic.) P.

St. Petersburg, August 15, 1911.

MAJOR Stokes's appointment.

I to-day made a communication to M. Nératof as instructed in your telegram No. 439 of the 14th August.

M. Nératof said that the Russian Minister at Tehran had already reported on the subject. He would not conceal from me that he viewed this question in a very serious light. His pre-occupation, he repeated, was due rather to the grave prejudice which persistence in Stokes's engagement might cause to the working of the Anglo-Russian agreement, than to anything which might be said or done at Tehran. The inevitable result of Stokes's appointment would be to create the impression that no faith could be placed in the agreement in future, since in the present instance it had proved ineffective. What would the British public have said if a Russian officer had accepted an appointment of which the sphere of activity extended into Southern Persia?

In reply to this I reminded his Excellency that you had made statements in the House of Commons, that you had promised to support any demand which Russia might eventually decide to make with regard to a gendarmerie for the north, and that you had given her satisfaction by addressing to the Persian Government a warning that His Majesty's Government would recognise the right of the Russian Government to take such steps as they considered necessary to safeguard their interests.

M. Nératof replied that the only course open to Russia was to demand some similar appointment, such as that of the chief of staff, for a Russian officer or to intervene by force. An entirely new situation would be created if Russia had to intervene by force, while, with regard to the other alternative, he was not sure that he could count on British support. I pointed out that Stokes would be precluded from interfering in the north by your promise to support a Russian demand for the control of the gendarmerie in that region.

M. Nératof then went on to say that in the not impossible event of Mohammed Ali regaining the throne, the Russian Government would be forced by public opinion to obtain from him the appointment of a Russian officer as chief of the staff.

I replied by pointing out that both Shuster and Stokes would probably disappear from the scene if Mohammed Ali won the day, and that then there would be no reason for Russia to demand any compensation. M. Nératof objected that such an eventuality would not alter the situation. The Russian Government would be urged to take advantage of the installation at Tehran of a Russophil Government in order to secure appointments for Russian subjects just as England had secured the appointment for Major Stokes, when those in power at Tehran were Anglophil. He added that he intended to submit the whole question to the council of Ministers, as it was such a serious one that he did not like the responsibility of deciding it alone. He would like, however, before laying the matter before the council of Ministers, to make a last appeal to you, as he thought it must still be possible either to recall Major Stokes temporarily or to appoint him elsewhere, seeing that his resignation had not yet been accepted.

M. Nératof's remarks gain additional weight from the fact that he had been received in audience by the Emperor just before our conversation.

[30615]

No. 305°.

Sir Edward Grey to Sir G. Barclay.

(No. 237.)

(Telegraphic.) P.

Foreign Office, August 16, 1911.

YOU are authorised now to present the claims of Messrs. Weir and Ellinger in manner set forth at beginning of your telegram No. 184 of the 24th May, but the amount is not, as previously stated, reckoned to the 31st December, but to the 1st October. You need not at present specify the rate of interest on supplementary claims which will be demanded.

The second item of Ellinger's claim does not seem to conflict with terms of note proposed in your telegram No. 175 of the 15th May, as it appears to be consequent on the dispossession by Persian Government of the Muin-ut-Tujjar.

You should point out to Persian Government that the continuance of shipments by another firm prejudices the favourable realisation of Weir's stocks of oxide.

[1505]

3 D*

[32375]

No. 305.

Sir G. Barclay to Sir Edward Grey.—(Received August 16.)

(No. 333.)

(Telegraphic.) P.

Gulahak, August 16, 1911.

IN continuation of my telegram No. 324 of the 11th August, I have the honour to report that Hamadan has been occupied without opposition by Salar-ed-Dowleh's troops.

His Highness remains at Kermanshah.

[32367]

No. 306.

Sir Edward Grey to Sir G. Buchanan.

(No. 441.)

(Telegraphic.) P.

Foreign Office, August 16, 1911.

MAJOR STOKES'S appointment.

Your telegram No. 181 of the 15th August.

The Acting Minister for Foreign Affairs speaks as though the appointment was already made and as though we had not only acquiesced in it but secured it; this is not the case. I have told the Persian Government that they should not persist in appointing Stokes, and have told Shuster, who approached me, that the only solution of the matter was the appointment of a neutral. Stokes has acted quite independently, and his appointment was made entirely apart from us. The Acting Minister for Foreign Affairs must realise this. He has not, so far as I am aware, made any objection at Tehran, and it seems to me time that he should make some communication there, such as the Russian Ambassador here has shown me, in support of my warning. If he does this I will repeat my warning, tell the Persian Government that Stokes's resignation cannot, in view of the justice of the objection raised by Russia, be accepted, and urge that a neutral should be appointed in his place. At present the Persian Government must look on me as being more Russian than the Russians.

I have never stipulated against employment in Southern Persia of Persian cossacks trained by Russian officers at Tehran, and I think that Russian opinion and Acting Minister for Foreign Affairs are unduly sensitive about Stokes's appointment. I am disappointed to find that he appears to realise so little that I have admitted the Russian objection and done all in my power to prevent the appointment owing to the great weight I attach to maintaining the good understanding and the co-operation between the two countries. The Acting Minister for Foreign Affairs should explain to the public that the sole reason why the appointment has not been made has been our action, and do in the present case what I have done in this country in keeping public opinion patient over the continued presence of Russian troops in Northern Persia and the action of Colonel Liakhoff in past years.

I have had to defend these matters several times, and if I had been as exacting over them as Russia is now the good understanding between Great Britain and Russia would have come to an end long ago.

I am, &c.

E. GREY.

[32459]

No. 307.

*Messrs. F. C. Strick and Co. to Foreign Office.—(Received August 17.)**Baltic House, Leadenhall Street, London,
August 16, 1911.*

Sir,

REFERRING to your letter of the 12th instant, we beg to draw your attention to our letter of the 28th ultimo to his Excellency Mirza Mehdi Khan, of which we have already sent you a copy, and from which you will see that Messrs. Ellinger and Co. and/or Messrs. Andrew Weir and Co. have no claim either on the Persian Government or the Muin-ut-Tujjar.

Under these circumstances, it is quite out of the question for us to agree to Messrs. Ellinger and Co.'s proposal.

We have, &c.

(For Frank C. Strick and Co. (Limited)),

FRANK C. STRICK.

[32467]

No. 308.

Mr. Baker to Foreign Office.—(Received August 17.)

Sir,

15, Dean's Yard, Westminster, August 16, 1911.

PROPOSED railway system for Persia.

In consequence of the recent report of Lieutenant-Colonel T. W. Haigh, His Majesty's consul for the consular district of Kerman, in which he states that "the

crying need of Kerman is a railway or a cart road to Bunder Abbas," Mr. Henry S. Foster, the consul-general of Persia, a representative of Messrs. Pauling, of 26, Victoria Street, the well-known railway contractors, who are building the Cape to Cairo and other railways, and a representative of Mr. Robert Elliott-Cooper, of Dean's Yard, Westminster, one of the vice-presidents of the Institute of Civil Engineers, and also one of the consulting engineers to the Crown Agents for Nigeria and other colonies, and chairman of the Cape Central Railway Company, and myself attended on his Excellency the Persian Minister to this country some three weeks ago to ascertain whether the Persian Government would grant a concession for the construction of a railway from Bunder Abbas to Kerman, wholly within the sphere of English influence, as defined by the treaty of 1907. His Excellency informed us that his Government would not grant any railway concession in Persia, but that what Persia required was a State railway system consisting of a trunk line from the Caspian to the Persian Gulf, connecting up all the main cities in Persia and, if necessary, having branch lines to outlying towns and districts.

He informed us that this railway system was to belong entirely to the Persian Government, and that, once a proper scheme was decided upon, that Government would issue a loan of 10,000,000*l.* to provide for the cost of construction.

His Excellency then invited us to prepare a scheme for such a railway system and furnish him with it, when he would forward it to his father, who, he stated, was a member of the Cabinet, but was at present on the continent for his health.

We have generally considered the matter, and are of opinion that the trunk line suggested should run from Enzeli on the Caspian, through Resht and Kazvin to Tehran, and thence by Kum, Kashan, Ispahan, and Shiraz to Bushire on the Persian Gulf, and that it should have branches to Tabreez and Urmia and to Yazd and Kerman, and possibly to Hamadan and Kermanshah.

This trunk line is shown on the annexed plan in a full red line,* and in a dotted red line is also shown a proposed line from Khor Musa to Khorehabad, as described in the "Bulletin de l'Union franco-persane" of July last.

The treaty of 1907 seems to us to practically prohibit the construction of any railway in Persia by any non-Persian company or group of capitalists of which railway they should be the owners and administrators in the same way as English capitalists own and work railways in Argentina and other parts of the world. But the treaty does not seem to us to debar the Persian Government from asking English engineers, contractors, and capitalists from constructing a railway system for the Persian Government, nor to prohibit English capitalists from issuing (probably with the participation of Russian or international capitalists) the necessary Persian Government loan for the purpose.

As a further security for the loan it has been suggested that the Persian Government might grant a right to the bondholders to explore for and work mineral oil and other minerals within a belt of country on either side of and adjacent to the proposed line, and as Persia is known to be a country rich in mineral oil and mineral wealth generally, such a right might be of great value, assuming of course that it did not fall within the meaning of a concession prohibited by the treaty.

If, of course, you inform us that the British Government could not consent to the scheme of a Persian Government railway, to be carried out by British subjects as above stated, we should proceed no further in the matter.

If, on the other hand, the British Government see no objection to such a railway, and to its being carried out in the way suggested, we shall be much obliged if you will inform us to this effect.

We have this morning been informed by the Persian Minister that, although another proposal has been under consideration for some time past at Tehran in reference to the provision of a railway system for Persia, it has made no progress, and that the Government are open to and will carefully consider any scheme we may submit.

Your obedient servant,

JOHN BAKER.

[1505]

* Not reproduced.

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[32468]

No. 309.

*Anglo-Persian Oil Company to Foreign Office.—(Received August 17.)**Winchester House, Old Broad Street,
London, August 16, 1911.*

Dear Mr. Mallet,

I BEG to enclose copy of a telegram which I have received from Mr. Brown, stating that the Persian Government will probably very shortly urgently require a loan against the shares they hold in, and the Royalties which may become payable by, my company.

I have circulated this among my co-directors, and, after learning their views, will call on you to hear what action His Majesty's Government would like us to take in the matter.

Yours sincerely,
C. GREENWAY.

Enclosure in No. 309.

Mr. Brown to Mr. Greenway (London).

(Telegraphic.) *Tehran, August 15, 1911.*
ANTICIPATE that Persian Government very shortly will urgently require advance(s) against share(s) and Royalty(ies) Anglo-Persian Oil Company (Limited). Telegraph your terms.

[32485]

No. 310.

Sir G. Barclay to Sir Edward Grey.—(Received August 17.)

(No. 334.)
(Telegraphic.) P. *Gulahek, August 17, 1911.*

SITUATION at Shiraz.

Reference to my telegram No. 173 of 12th May.

I have received a telegram from His Majesty's acting consul at Shiraz, expressing the opinion that an increase in the consular guard will soon become desirable to enable him to protect the houses of Europeans at Shiraz without unduly depleting the consulate guard. Mr. Knox gives the following reasons in support of his opinion:—

The growing number of tribesmen in the town, the approaching arrival of Soulet-ed-Dowleh, the unlikelihood that the Nizam will be willing or able properly to restrain these elements of disorder. In addition to the houses in the immediate vicinity of the consulate there are two dwelling-houses outside the town and four British business houses inside Shiraz. I understand also that there is one German subject who would probably ask for the protection of His Majesty's consulate.

To undertake the guarding of these houses a considerable reinforcement, probable some 150 men, would be necessary; and His Majesty's consul-general at Bushiry points out that the dispatch of such a force would be tantamount to a declaration against the Governor-General and Soulet-ed-Dowleh. It seems to be unlikely that any deliberate attempt will be made on Europeans, but, of course, indiscriminate looting may occur at any time. Still, I hardly think that this possibility warrants so serious a step as the dispatch of a force of the magnitude necessary to ensure against it.

On the other hand it has been necessary since Kavam-ul-Mulk's arrival in the consulate to institute such guard duty as I am given to understand is excessive for the small force at present in Shiraz, and as there appears to be no sure prospect of Kavam's leaving the consulate, I consider that it would be desirable to send a small reinforcement to Shiraz. In these circumstances I would beg to recommend, with a view to relieving this strain, that the Government of India be asked to dispatch an additional twenty-two non-commissioned officers and men to Shiraz. The present detachment numbers forty-two men, and sixteen men have day and night to be on guard.

[32475]

No. 311.

Sir G. Barclay to Sir Edward Grey.—(Received August 17.)

(No. 335.)
(Telegraphic.) P. *Gulahek, August 17, 1911.*

MAJOR STOKES and the Treasury gendarmerie.

Please refer to penultimate paragraph of my telegram No. 326 of the 12th August.

I have the honour to report that the Minister for Foreign Affairs, whom I saw yesterday, again alluded to his suggestion for a settlement of the Stokes question. In reply, I informed his Excellency that I did not consider that his proposal would meet the case, adding that it would be well for the Persian Government either to relinquish Major Stokes's appointment altogether or to confine it strictly to Southern Persia.

His Excellency then hinted that his Government would welcome Major Stokes's recall by the Government of India. Evidently this would afford the Persian Government a convenient means of retreat, but I am unable to predict how such a step would be received by the Medjliss, Shuster, and by Major Stokes.

[32488]

No. 312.

Sir G. Barclay to Sir Edward Grey.—(Received August 17.)

(No. 336.)
(Telegraphic.) P. *Gulahek, August 17, 1911.*

MAJOR STOKES and Treasury gendarmerie.

Following sent to Sir G. Buchanan to-day:—

Please refer to Foreign Office telegram No. 441 of yesterday's date to you.

Protest was made by M. Poklewski. As you had already reported it in your telegram No. 172 of 2nd August to Foreign Office I did not telegraph again.

[32490]

No. 313.

Sir G. Barclay to Sir Edward Grey.—(Received August 17.)

(No. 337.)
(Telegraphic.) R. *Tehran, August 17, 1911.*

RUSSIAN Minister and I received this morning visits from three Swedish gendarmerie officers, who made an excellent impression on us.

We venture to suggest that the two legations should now formally advise Persian Government to employ these officers for organisation of Treasury gendarmerie.

[32491]

No. 314.

Sir G. Barclay to Sir Edward Grey.—(Received August 17.)

(No. 338.)
(Telegraphic.) R. *Tehran, August 17, 1911.*

MY telegram No. 121 of 13th April.

Russian Minister yesterday informed Minister for Foreign Affairs his Government had entirely approved his statement of Russian requirements in order that Persia might gain her good-will. He added, under instructions, that Russian Government had always wished for friendly relations, and had given proofs of this, such as withdrawal of Kazvin force. If friendly relations had not resulted Russia was not responsible.

Russian Government had decided to stand aloof from present struggle, and Russian consul had already been instructed to observe strictly neutral attitude.

[32494]

No. 315.

Sir G. Buchanan to Sir Edward Grey.—(Received August 17.)

(No. 182.)

(Telegraphic.) P.

St. Petersburg, August 17, 1911.

MAJOR STOKES'S appointment.

Your telegram No. 441 of the 16th August.

M. Nératof is unable to see me before Saturday. I have accordingly embodied in a private letter to him the main points touched on in your telegram above referred to, and added that when he is able to receive me I will explain your views more fully to him.

The Russian Government, I should mention, have already lodged a protest at Tehran, as reported in my telegram No. 175.

[32490]

No. 316.

Sir Edward Grey to Sir G. Buchanan.

(No. 447.)

(Telegraphic.) R.

Foreign Office, August 17, 1911.

TEHRAN telegram No. 337 of 17th August and my telegram No. 239 of 17th August to Tehran: Swedish gendarmerie officers.

You should communicate substance to Minister for Foreign Affairs.

[32594]

No. 317.

Anglo-Persian Oil Company to Foreign Office.—(Received August 18.)

*Winchester House, Old Broad Street, London,
August 16, 1911.*

Dear Mr. Mallet,

I ENCLOSE copy of the full text of the telegram *re* Persian railways which I sent yesterday to Mr. Brown in accordance with my conversation over the telephone with Mr. Norman.

On receipt of the letter which I understood from Mr. Norman you will shortly be sending to me on this subject, I will send Mr. Brown any additional telegram that may be necessary.

Yours truly,
C. GREENWAY.

Enclosure in No. 317.

Mr. Greenway to Mr. Brown.

*Winchester House, Old Broad Street, London,
August 15, 1911.*

(Telegraphic.)

FOLLOWING is a synopsis of the draft agreement which I am posting this week. Agreement is drawn up on the basis of building on account of Persian Government, which I understand is desired, but if Persian Government prefers grant concession for building by British railway company, Persian Government similarly guaranteeing 5 per cent. on gross capital expenditure, this is equally acceptable:—

1. Government to grant syndicate exclusive right to construct following railways:

- (a.) From Mohammerah and/or Khor Musa to Khorehabad or Burujird;
- (b.) From Bunder Abbas to Kerman;
- (c.) From Bunder Abbas to Shiraz;
- (d.) From Bunder Abbas to Mohammerah;

and also harbours or ports at any or all of the above coastal termini, with the preferential right to construct extensions of any of the above railways and other railways in Southern Persia.

2. Syndicate to commence survey [of] first railway within six months.

[32490]

No. 315*.

Sir Edward Grey to Sir G. Barclay.

(No. 239.)

(Telegraphic.) P.

Foreign Office, August 17, 1911.

YOU may certainly, if you think fit, join your Russian colleague in advising Persian Government to employ the Swedish officers for organisation of gendarmerie as suggested in your telegram No. 337 just received.

[1505]

3 E*

3. Plans and specifications first railway to be submitted on completion of survey, together with estimate of cost of construction and equipment. Such cost to include engineering, freight, and other charges, interest during construction and two years after, and cost of financing in Europe.

4. Plans and specifications deemed [to be] accepted by Government if not objected to in six months after delivery.

5. Survey at cost of Government, and to be paid on monthly certificates, option of Government cash or Imperial State bonds similar to recent issue. If in bonds, Government to deposit with Imperial Bank of Persia sufficient amount of bonds at 87½ per cent. to cover cost of survey, with authority bank to deliver bonds to syndicate on production of monthly certificates.

6. Syndicate to have right to construct first railway on plans and specifications as approved. Line to be single track [2] feet 6 inches or 1 metre gauge, and have telegraph and telephone line.

7. Prior to construction first railway, Government to issue to syndicate 5 per cent. bonds at 87½ per cent. sufficient to provide estimated cost under clause 3 above, bonds to constitute direct liability of Government for the payment of principal interest and sinking fund of 1 per cent., sinking fund to commence five years after opening railways, bonds to be first charge on railways and railway receipts and on uncharged surplus customs duties Southern Persia or other securities approved by syndicate. Customs duties or other securities to be paid by Government officials as collected to Imperial Bank of Persia to meet above liabilities as they become due.

8. Syndicate to provide interest on bonds during construction and two years after. If works delayed by *force majeure* or circumstances over which syndicate no control, Government to pay interest during period works delayed.

9. Government may any time within five years date contract require syndicate proceed with survey of the three other lines or any of them on same terms as first railway.

10. On completion of first railway, Government may require syndicate, or syndicate may require Government, to allow them proceed with construction of second, third, and/or fourth railways on same terms as first railway.

11. Railways when completed to be worked by syndicate on behalf of and at expense of Government, syndicate to be entitled to, as remuneration, 5 per cent. gross receipts. Government to make good any deficiency in working.

12. On redemption of bonds and payment of all money due to syndicate, Government may take over and work railways on giving two years' notice.

13. Necessary lands to be provided free.

14. Government to provide free of cost effective protection of all working parties.

15. Exemption of taxes, materials imported free, duties same as in draft mining concession.

16. No other mechanical transport to be permitted within 50 miles without consent of syndicate.

17. Government to appoint qualified European engineer, to be approved by syndicate, to certify work.

18. Chief officials of railways to be English.

19. Tariff to be on gold basis and fixed by syndicate.

20. Full *force majeure* clause.

21. Exchange to be taken at current market rate.

22. Disputes to be settled by British Minister.

This draft has been submitted to Foreign Office. Their comment[s] [upon] will be sent in a few days.

[32595]

No. 318.

India Office to Foreign Office.—(Received August 18.)

Sir,

India Office, August 17, 1911.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 15th instant regarding the terms of the concession for which the Persian Railways Syndicate propose to apply.

The Marquess of Crewe agrees with the Secretary of State for Foreign Affairs that it would be preferable that the railways should be permanently British undertakings—

[1505]

3 F

although the concession in its present form may not only be more acceptable to the Persian Government but may also be more easy for His Majesty's Government to defend against the criticism with which it is likely to meet from Russia, as regards the Mohammerah-Khorembad line, at all events. He would therefore suggest that Mr. Greenway might be asked to put forward the alternative in the first instance; and by way of diminishing the attractiveness of the form of concession which the Persian Government are understood to prefer, it might be provided in clause 12 that if the railway is purchased at short notice the price to be paid will be proportionately higher. Such a provision is usually made in Indian railway contracts.

As regards the Southern Customs, Lord Crewe sees no objection to their forming part of the security provided that it is clearly stated that the British Government's loan and the recent Persian loan have priority. If Mr. Shuster succeeds in reorganising Persian finances it seems not improbable that the yield of the Southern Customs will largely expand and suffice for all these purposes.

In clause 7 of the draft telegram the reference should be to clause 3 (not 2), and in clause 10 "1st, 2nd, and/or 3rd railways" should apparently be "2nd, 3rd, and/or 4th." It is presumably intended that the construction of these three railways should be proceeded with in the order named in clause 1.

In connection with clause 16, Mr. Greenway might be informed that His Majesty's Government contemplate surveying the Bushire-Firuzabad-Shiraz road in view to the possibility of motor traction, as recommended by Mr. Chick (*see* Mr. Langley's letter of the 20th July). The Persian Railways Syndicate would, no doubt, come to terms should it eventually be decided that a motor road would be practicable and desirable.

I am, &c.

E. MONTAGU.

[32638]

No. 319.

Sir G. Barclay to Sir Edward Grey.—(Received August 18.)

(No. 310.)

(Telegraphic.) P.

Gulahck, August 18, 1911.

EX-SHAH movement.

It is reported that Mohammad Ali Mirza has quitted Barfrush and that he is now some 30 miles north-east of Firuzkuh in the Savadkuh district.

The arrival of Shoa-es-Sultaneh among the Shahsevens is also announced.

Semnan is being pillaged by ex-Shah's troops.

[32648]

No. 320.

Sir G. Buchanan to Sir Edward Grey.—(Received August 18.)

(No. 183. Secret.)

(Telegraphic.) P.

St. Petersburg, August 18, 1911.

MY telegram No. 179, Secret, of the 10th August: Russo-German agreement.

The agreement will be signed to-morrow, and I have just received the text from the Ministry of Foreign Affairs.

In the preamble the word "political" is now omitted after "special," but in other respects the summary given in my despatch No. 201 of the 12th July corresponds with the text now communicated in so far as the preamble, article 1, and the first sentence of article 3 are concerned.

In article 2 also the only change of any importance is in the last sentence, which now reads as follows:—

From "if at the end of two years" to "will remain in force" was sent in cypher R.

The provisions of the second sentence of article 3 with regard to Germany's engagements not to construct railways to the north of Khanikin (as given in my despatch No. 201) are now omitted altogether. It seems probable that these provisions may be embodied in an exchange of secret notes, but I must await my interview with M. Neratof to-morrow before I can get any trustworthy information on this point.

[32637]

No. 318*.

Sir G. Barclay to Sir Edward Grey.—(Received August 18.)

(No. 339.)

(Telegraphic.) R.

Tehran, August 18, 1911.

MY telegram No. 332: Bakhtiari road.

Another caravanserai at Shalil has been plundered.

Lynch, with my concurrence, is arming his muleteers. Manager thinks that he will be able thus to resume transport. I see no need of informing Persian Government.

[32475]

No. 321*.

Sir Edward Grey to Sir G. Barclay.

(No. 242.)

(Telegraphic.) P.

Foreign Office, August 18, 1911.

RUSSIAN Government cannot accept proposal made by the Minister for Foreign Affairs in regard to Major Stokes's employment.

Fresh protest should be made to Persian Government by Russian Government, after which you can repeat your previous warning, and say that His Majesty's Government consider the objections offered by Russia to Major Stokes's appointment to be well founded and therefore cannot accept his resignation, and urge Persian Government to appoint some subject of a neutral Power.

I am reluctant to ask Government of India to take so harsh a step as to recall Stokes summarily when he has offered to resign, but until his resignation has been accepted it is clear that he cannot take up new appointment.

[32367]

No. 321.

Sir Edward Grey to Sir G. Barclay.

(No. 240.)

(Telegraphic.) R.

Foreign Office, August 18, 1911.

MY telegram No. 441 of 16th August to Sir G. Buchanan: Major Stokes.

You should act accordingly as soon as your Russian colleague receives his instructions.

(Repeated to St. Petersburg, No. 448.)

[32485]

No. 322.

Sir Edward Grey to Sir G. Buchanan.

(No. 449.)

(Telegraphic.) R.

Foreign Office, August 18, 1911.

SIR G. BARCLAY's telegram No. 334 of 17th August: Situation at Shiraz.

Inform Russian Government of proposed reinforcement of Shiraz consular escort, and of our reasons for the step.

[32485]

No. 323.

Foreign Office to India Office.

Sir,

Foreign Office, August 18, 1911.

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a telegram from His Majesty's Minister at Tehran,* recommending that the Government of India should be asked to dispatch to Shiraz an additional twenty-two non-commissioned officers and men to relieve the strain imposed on the escort of His Majesty's consulate at that place by the present disturbed situation.

I am to state that Sir E. Grey desires to support Sir G. Barclay's recommendation, and I am to request that the necessary instructions may be sent to the Government of India by telegraph accordingly.

I am, &c.

LOUIS MALLET.

[32723]

No. 324.

India Office to Foreign Office.—(Received August 19.)

Sir,

India Office, August 18, 1911.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 26th July regarding the proposed Trans-Persian Railway, and to enclose copy of a despatch which he has addressed to the Government of India on the subject.

I am to say that the Marquess of Crewe will be glad to be favoured with the independent opinion of the Treasury and the Board of Trade on the question of a guarantee.

I am, &c.

EDWIN S. MONTAGU.

Enclosure in No. 324.

The Marquess of Crewe to Government of India.

(Secret.)

My Lord,

India Office, August 18, 1911.

WITH reference to the Secret letter of your Government dated the 23rd February last, I forward, for the consideration of your Excellency in Council, copy of a letter

from the Foreign Office regarding the proposed Trans-Persian Railway,* and I request that I may be furnished with your views on the points raised therein.

2. As regards the alignment of the proposed railway, I note that the committee appointed by your Government were of opinion that the route via Bunder Abbas, though longer, would be cheaper both to construct and to work than the more direct route via Kerman and Pasni. I shall be glad if you will consider whether the objection of the Russian promoters could be met without detriment to Indian interests by bringing the line via Kerman to the coast at Charbar.

I have, &c.
CREWE.

[32726]

No. 325.

India Office to Foreign Office.—(Received August 19.)

Sir,

India Office, August 18, 1911.

WITH reference to correspondence, ending with your letter dated the 7th November last, regarding the expenditure of a sum of 376*l.* 13*s.* 4*d.* on the defences of His Majesty's consulate at Bunder Abbas, I am directed by the Secretary of State for India to enclose copy of a further letter from the Government of India upon the subject.

It will be seen that, besides certain variations in the scheme of defensive works which are not expected to entail any extra expenditure, the provision of a Maxim gun was finally authorised by the Government of India, on the advice of the naval commander-in-chief and the general officer commanding at Kurrachee, the additional expenditure incurred being 3,443 rupees (229*l.* 10*s.* 8*d.*). I am to explain that in the opinion of the Marquess of Crewe this step was justified in the circumstances, and I am to request that, if Secretary Sir E. Grey shares this view, the Lords Commissioners of His Majesty's Treasury may be moved to accept a moiety (114*l.* 15*s.* 4*d.*) of the sum named as a charge against British revenues.

I am, &c.
EDWIN S. MONTAGU.

Enclosure 1 in No. 325.

Government of India to the Marquess of Crewe.

My Lord Marquess,

Simla, July 6, 1911.

WITH reference to Lord Morley's telegram dated the 11th October, 1910, in which sanction was accorded to the execution of certain measures for the defence of the consular buildings at Bunder Abbas, we have the honour to forward, for your Lordship's information, a copy of a letter, dated the 17th December, 1910, from our political resident in the Persian Gulf, in which he asks for a reconsideration of our decision in the matter of the provision of a Maxim gun.

2. The reasons for which we considered it desirable not to accede to Colonel Cox's original request for the supply of a Maxim gun are given in paragraph 2 of our despatch dated the 15th September, 1910, but in view of the opinion expressed by his Excellency the naval commander-in-chief and the general officer commanding, Kurrachee, who visited Bunder Abbas during the past winter, we have sanctioned the provision of the gun, and trust that our action will meet with your Lordship's approval.

3. The gun, together with tripod mounting and accessories and 10,080 rounds of ammunition, was despatched to Bunder Abbas with the Indian infantry detachment which, including a trained crew to work and care for the gun, proceeded to that place at the end of March 1911 in relief of the last detachment.

4. The additional expenditure (exclusive of cost of carriage, packing, and other incidental charges) which will be divisible between the Home and Indian Governments is 3,443 rupees, made up as follows:—

	Rupees.
One Maxim gun, with fittings and spare parts, including tripod mounting ..	2,531
Cartridges (303-inch ball), chargers, and boxes	748
Plus 5 per cent. departmental charges	164

* See No. 169.

5. We also enclose, for your Lordship's information, a copy of a letter from our political resident in the Persian Gulf, dated the 7th May, 1911, regarding certain modifications in the sanctioned alterations to the consulate premises. We have accepted the proposed modifications. It is not anticipated that they will involve any additional expenditure.

We have, &c.

HARDINGE OF PENSHURST.
O'M. CREAGH.
GUY FLEETWOOD WILSON.
J. L. JENKINS.
R. W. CARLYLE.
S. H. BUTLER.
SEYYID ALI IMAM.
W. H. CLARK.

Enclosure 2 in No. 325.

Lieutenant-Colonel Cox to the Government of India.

Bushire, December 17, 1910.

I HAVE the honour to refer to Foreign Department telegram, dated the 21st October, 1910, conveying sanction to the execution of the proposals submitted for the defence of the Bunder Abbas consulate, excepting the provision of a Maxim gun.

2. I am not aware whether His Majesty's Secretary of State demurred to the latter item on grounds of economy or for other reasons, but I beg to report that the General Officer Commanding, Kurrachee, and his Excellency the Naval Commander-in-chief have recently visited Bunder Abbas and examined the question on the spot, independently, and both express the view that a Maxim is needed, and that the provision of one will prove an economy rather than an expense, as it will enable the premises to be defended with a smaller garrison than would otherwise be possible.

Unless, therefore, considerations other than those of economy have prompted the withholding of sanction to the Maxim, I venture to press for a reconsideration of the decision come to by Government in regard to this item.

3. General Lloyd Payne having suggested, and his Excellency Admiral Slade having concurred in, certain modifications in the sanctioned alterations in the consulate premises as being calculated to give greater defensive security without increase of cost, I have, in anticipation of sanction, authorised His Majesty's consul to adopt them, provided that he keeps within the sanctioned allotment, and I trust that the course will be approved.

Enclosure 3 in No. 325.

Lieutenant-Colonel Cox to the Government of India.

Bushire, May 7, 1911.

WITH reference to correspondence ending with this office letter of the 17th December, 1910, regarding the defences of the consulate at Bunder Abbas, I have the honour to forward, for the information of the Government of India, a copy of the communication which I have received from Captain Biscoe on the subject.

2. It will be observed that, while the total expenditure is kept within the sanctioned grant, savings from certain heads have been utilised to meet the excess under others. I trust, however, that in view of the explanations given by Captain Biscoe, the Government of India will be pleased to approve the modifications in the sanctioned alterations in the consulate premises.

3. I may add that I inspected the result myself and it appeared to be satisfactory, but as his Excellency the naval commander-in-chief had informed me of his intention to visit Bunder Abbas again before quitting the Gulf, I held over report to Government until he had had an opportunity of expressing his opinion.

Captain Biscoe now informs me (5th May) that "in the admiral's opinion the arrangements are quite satisfactory."

4. In conclusion, I beg to report that his Excellency the naval commander-in-chief has ordered the reduction of the Bunder Abbas detachment to a strength of sixteen men, but has left a Maxim which was recently landed there, and the detachment includes men able to work it.

[1505]

3 G

Enclosure 4 in No. 325.

*Captain Biscoe to Lieutenant-Colonel Coz.**Bunder Abbas, March 15, 1911.*

I HAVE the honour to inform you that I have forwarded by this mail a contingent bill to the Treasury officer, Bushire, for the expenditure incurred in connection with the scheme for the defence of the consulate.

As the bill and vouchers accompanying it merely show the amount of work done with the rates charged, without specifying the actual nature of the alterations effected, it may not be amiss to state in detail the measures which have been taken to render the consulate more easily defensible.

2. The measures recommended are laid down in letter, dated the 12th June, 1910, from you to the Secretary to the Government of India in the Foreign Department, and involve an expenditure of 6,000 rupees. These measures the Government of India were pleased to sanction with the exception of the provision of a Maxim gun, the cost of which was estimated at 350 rupees. The grant placed at my disposal accordingly amounted to 5,650 rupees. In November last, Major-General Lloyd-Payne, commanding Kurrachee brigade, visited Bunder Abbas, and I took the opportunity of consulting him regarding the proposed alterations. He suggested certain modifications to the scheme which I submitted to you in my letter, dated the 21st November, 1910, and as you were pleased to sanction them, subject to the original estimate of expenditure not being exceeded, they have been embodied in the scheme, and the expenditure adjusted accordingly. I may mention that his Excellency the naval commander-in-chief expressed his entire approval of these modifications during his visit here.

3. I will now deal with the alterations effected *seriatim* in the order in which they are stated in your above-mentioned letter to the Government of India.

Item No. 1 was not sanctioned.

Items 2 and 3. This work was carried out last November; it has not been found possible to include the cost in the accompanying contingent bill, as it is being adjusted by book debit, and the Comptroller of India Treasuries has not yet notified me of the amount. The approximate estimate submitted by the director, Persian Gulf telegraphs, is 791 rupees; in any case the sanctioned grant of 900 rupees will not be exceeded.

Item 4. This was the proposal from which General Lloyd-Payne dissented, and it was decided instead of levelling the south wall to build a circular redoubt at the angle of the wall which would flank it. This has been done, and circular redoubts have also been built at two other angles so that there is now no dead ground round the consulate. The whole of the expenditure sanctioned for this, viz., 2,300 rupees, has, therefore, been eliminated.

Item 5. Expenditure on raising the perimeter walls on the other hand has been considerably exceeded, as this includes the construction of the redoubts; moreover, owing to the almost unprecedented rain that fell during the last winter large portions of the wall subsided and had to be almost entirely rebuilt. All the walls, however, have now been raised to eight feet with the exception of the south wall, which is the least likely to be attacked, and the raising of which would have made the consulate excessively hot in summer, the prevailing breeze being from that side. The total expenditure under this head, therefore, comes to rupees 1,570 : 13 : 6, an excess of rupees 770 : 13 : 6 on the original figure.

Item 6. This has been done; the cost comes to 80 rupees instead of 50 rupees.

Items 7 and 8. It was subsequently decided, instead of spiking the gates, to arch them over with masonry, thus preventing anyone climbing over more effectually than spikes would do. This work is just being completed. There has been a slight delay in barring the gates, but it will be completed shortly. The total expenditure under this head, including provision of padlocks, comes to rupees 840 : 6 : 6, an excess of rupees 40 : 6 : 6.

Item 9. A lamp of superior power has been provided for the north gate, which is the most exposed side, and the total expenditure under this head comes to rupees 278 : 10 : 0, an excess of rupees 178 : 10 : 0.

Item 10. Eight galvanised iron water-tanks have been obtained at a cost including freight of rupees 429 : 9 : 0.

Items 11, 12, and 13. These have all been obtained. The cost of sand bags and signal rockets will, however, be adjusted by book debit, and has not been shown in the bill. Besides the above some barbed wire and pegs have also been provided, the cost of which will be similarly debited.

The total expenditure charged in the bill amounts to rupees 3,548 : 15 : 3, leaving a balance of rupees 2,101 : 0 : 9, against which will be debited the cost of items 2, 3, 12, and 13, and the cost of barbed wire.

4. These measures have turned the consulate from a post ill-adapted for defensive purposes into one which, if efficiently manned, offers considerable facility for defence; there remains, however, one matter regarding which I respectfully venture to solicit your representations, and that is the provision of a Maxim gun. I am aware that you have already requested the Government of India to reconsider their decision in the matter. In view, however, of the recent news of the arrival of the Afghans in considerably larger numbers than has been the case in past years, I venture to request that an early decision be come to in this matter.

[32759]

No. 326.

Board of Trade to Foreign Office.—(Received August 19.)

(Confidential.)

Sir,

Board of Trade, August 18, 1911.

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 15th August, with enclosures, on the subject of the proposals put forward by the Persian Railway Syndicate, and to offer the following observations thereon for the consideration of Sir E. Grey.

The arrangement proposed by the syndicate, and summarised in the draft telegram forwarded to your department by Mr. Greenway, is of a somewhat unusual character. The practice generally adopted is for a concession, subsidised or not, to be granted for the construction and working of a line for a definite term, at the end of which the line reverts to the State, there being generally a provision allowing of purchase at an earlier date on prescribed terms. Subsidies, where given, may take the form of either a mileage construction payment, or a guarantee of a minimum revenue per mile, or a guarantee of interest on capital. In some cases (as in the Argentine) concessions limited in duration have subsequently been made perpetual, and in others the concessionnaire companies have been bought out by an issue of State bonds. Another arrangement sometimes made is for a Government to construct a line and then to lease its working, either for a fixed annual rental or for a percentage of the gross earnings.

The board, however, see no objection to the scheme of the syndicate other than that indicated in your letter under reply, namely, that the Persian Government would, as the scheme stands, be able to buy out the British company at two years' notice. It would appear possible, however, to obviate this objection by providing that bonds should not be redeemed otherwise than by the operation of the sinking fund, and that the redemption should not proceed at more than a prescribed rate during a given period of years. From informal communications with the syndicate the board understand that paragraph 7 of the proposed heads of contract has been amended by the insertion of a provision to the effect that the Government sinking fund of one per cent. shall not come into operation for a period of five years after the opening of the line for traffic; and that the syndicate would view with favour the insertion of a further proviso that the Persian Government's payment towards a sinking fund for the redemption of the bond issue should not, during a further period of twenty or twenty-five years, exceed the above-mentioned rate of one per cent. per annum. This would secure to the concessionnaire company a tenure of twenty-five or thirty years in all, and would, in the opinion of the department, meet the objection to the present scheme which Sir E. Grey appears to have in mind.

The board are not aware if there is anything in the constitution of the syndicate which would prevent any part of the holding, either during construction of the railway or later when the syndicate is operating as a working company, from passing into foreign hands. Whilst, in view of the constitution of the syndicate, they do not regard this as a serious contingency, they think it desirable to invite the attention of Sir E. Grey to it as a possible occurrence.

Subject to these observations the board are disposed to think that the scheme now put forward by the syndicate might be approved by Sir E. Grey, should he see no objection on other grounds, as more likely than the second plan suggested by Mr. Greenway, to be viewed with favour by both the Persian Government and the British investor, to whom Government bonds are as a rule more attractive than guaranteed shares.

I am, &c.

GEO. J. STANLEY.

[32764]

No. 327.

*Anglo-Persian Oil Company to Foreign Office.—(Received August 19.)**Winchester House, Old Broad Street,
London, August 18, 1911.*

Sir,

I HAVE the honour to refer you to your letter of the 5th February, 1910, and to our managing director's acknowledgment of the 10th idem, with reference to the shares in the First Exploitation Company (Limited), and the Bakhtiari Oil Company (Limited), due to the Bakhtiari khans and the mode of delivery thereof.

As the Pipeline is nearing completion, and we shall be passing the oil through it, we shall shortly have to deliver the shares due to the khans. By this mail, therefore, we are posting to our managing agents the share certificates in question, and we append for your information copy of the letter we have written them, giving them full details. Copies of the balance-sheets referred to therein are enclosed.*

"With reference to our letter of the 21st ultimo, we have since writing same been informed by Mr. J. R. Preece that the Bakhtiari khans desired that the shares due to them should be made out:—

"One-half in the joint names of Samsam-es-Sultaneh and Hajji Ali Kuli Khan Sirdar Assad.

"One-half in the joint names of Sirdar Mutasham and Nasir Khan Sirdar-i-Jang.

"This we have accordingly done, and now send same by registered post. We give below particulars:—

"*Bakhtiari Oil Company (Limited).*—From the balance-sheet for the year ended the 31st March, 1911, you will see that the issued capital is 349,420 shares, made up of 300,000, the original issue, and 49,420 shares issued in October last year to the Anglo-Persian Oil Company (Limited), in settlement of 49,420*l.* advanced by that company.

"Against further advances made by that company, a further issue of 39,580 shares has to-day been made, bringing up the total issued capital to 389,000 shares.

"The khans, under their agreement, are entitled to 3 per cent. of the issued capital, making the amount due them 11,670 shares, or 5,835 shares to each of the two parties.

"*The First Exploitation Company (Limited).*—From the balance-sheet for the year ended the 31st March, 1911, you will see that the issued capital is 500,920 shares.

"Against advances made by the Anglo-Persian Oil Company (Limited) of 17,080*l.* there has to-day been issued to them 17,080 shares, making a total issued capital of 518,000 shares.

"The khans, under their agreement, are entitled to 3 per cent. of the issued capital, making the amount due them 15,540, or 7,770 shares to each of the two parties.

"*Mode of Delivery.*—As you will have seen from their letter of the 5th February, 1910, the Foreign Office suggested the desirability of His Majesty's consul being made the channel for the delivery of these shares, to which we agreed in ours of the 10th idem.

"The procedure, therefore, will be as outlined in our letter, viz., that a meeting will be held at which His Majesty's consul, the Bakhtiari khans, and Dr. Young, the company's representative, will be present, and that Dr. Young will hand the shares to His Majesty's consul, who in turn will deliver them to the khans, receiving in writing a proper acknowledgment.

"(Signed) F. MACINDOE, *Secretary.*"

I have, &c.

F. MACINDOE, *Secretary.*

[32794]

No. 328.

Sir G. Buchanan to Sir Edward Grey.—(Received August 19.)

(No. 184.)

(Telegraphic.) P.

St. Petersburg, August 19, 1911.

PROPOSED increase of Shiraz consular escort.

Your telegram No. 449 of the 18th August.

No objections are raised by M. Nératof.

* Not printed.

[32798]

No. 327*.

Sir G. Barclay to Sir Edward Grey.—(Received August 19.)

(No. 341. Secret.)

(Telegraphic.) P.

Gulahek, August 19, 1911.

RAILWAYS in Persia.

In reply to your telegram No. 235 of the 15th August, I have the honour to state that the second alternative, inasmuch as it seems both to offer a possibility of profits and to afford more assurance of permanence, appears, of course, at first sight to be more attractive.

The question of profits seems, however, problematical, and, on the other hand, the probability that the Persian Government will be able to pay off the railway bonds herself is so remote that we may leave it out of consideration, and I hope we need not contemplate the contingency of our being unable to stop Persia from raising money elsewhere for the purpose. I consider, moreover, that the prospect of the second alternative being passed by the Medjliss is more than doubtful unless the temper of that body changes. The first alternative accords more with the views of those members of the Medjliss who count.

For these reasons I would recommend first alternative proposal.

A stipulation that disputes between the syndicate and the Persian Government should be referred to the arbitration of His Majesty's Minister would, of course, if we could obtain it, be of great use to the syndicate, but I would submit that His Majesty's Minister might be placed in an invidious position if he had to act both as advocate and judge in such disputes. A solution of this difficulty might be found in referring those differences which cannot be settled by negotiation to some foreign representative at Tehran whom the two parties could select by mutual agreement.

[1505]

3 H*

[33256]

No. 331*.

Sir Edward Grey to Sir G. Barclay.

(No. 244.)

(Telegraphic.) P.

Foreign Office, August 20, 1911.

ACCORDING to a telegram received by Russian Ambassador, his Government concur in a proposal made by you and Russian Minister for employment in Treasury gendarmerie of Swedish officers instead of Major Stokes. This is not what I understood from your telegram No. 337 of the 17th August and approved by my telegram No. 239 of the same day, and I should be glad if you would communicate with Russian Minister and explain what seems to be misunderstanding. It was presumably intended that Swedes should be engaged to organise gendarmerie proper as distinct from that of Treasury, which was to be quite apart.

[1505]

3 H*

[32795]

No. 329.

Sir G. Buchanan to Sir Edward Grey.—(Received August 19.)

(No. 185.)

(Telegraphic.) P.

St. Petersburg, August, 19, 1911.

APPOINTMENT of Major Stokes.

Your telegram No. 242 to Sir G. Barclay of the 18th August, and my telegram No. 182 of the 17th August.

I saw the Acting Minister for Foreign Affairs this afternoon. His Excellency begged me to express to you his warmest thanks for the instructions you had sent to Tehran. He was especially pleased at your having declared that Major Stokes's resignation could not be accepted by His Majesty's Government.

I begged his Excellency to use his influence to calm Russian public opinion when the policy of His Majesty's Government in Persia was unreasonably criticised, and I reminded him of the line you had always taken in Parliament when Russian action in that country had formed the subject of unfavourable comment. M. Nératof replied that His Majesty's Government might rely on him to tranquillise public opinion. He attached very great importance, especially at a moment like the present when Persian affairs had reached a critical stage, to the closest co-operation between His Majesty's Government and the Imperial Government.

The Acting Minister for Foreign Affairs also informed me that a communication in the sense suggested by you would be made by M. Poklewski to the Persian Government.

[32797]

No. 330.

Sir G. Buchanan to Sir Edward Grey.—(Received August 19.)

(No. 187.)

(Telegraphic.) P.

St. Petersburg, August 19, 1911.

SWEDISH officers,

Russian Minister has received similar instructions to those contained in your telegram No. 239 of the 17th August to Sir G. Barclay.

[32799]

No. 331.

Sir G. Barclay to Sir Edward Grey.—(Received August 20.)

(No. 342.)

(Telegraphic.) R.

Tehran, August 20, 1911.

YOUR telegrams Nos. 240 and 242 of 18th August.

Russian Minister and I made our respective communications to Persian Government yesterday.

[33152]

No. 332.

M. Nératof to Count Benckendorff.—(Communicated by Count Benckendorff, August 20, 1911.)

(Télégraphique.)

D'APRÈS une communication de l'Ambassadeur d'Angleterre, Sir George Barclay a été chargé de déclarer, entre autres, au Gouvernement persan que si ce dernier insiste pour donner suite à la nomination de Stokes dans les conditions projetées, le Gouvernement britannique n'accorderait pas la démission sollicitée par cet officier.

Cette communication de Sir G. Buchanan met fin à l'incident. J'ai prié l'Ambassadeur de faire parvenir à Sir Edward Grey l'expression de notre sincère reconnaissance pour cette solution, dans laquelle nous voyons un gage solide de notre action commune dans les affaires de Perse.

Veuillez vous exprimer également dans le même sens.

[1505]

3 H

[33029]

No. 333.

Lieutenant-Colonel Cox to Sir Edward Grey.—(Received August 21.)

(No. 1.)

Sir,

Bushire, July 25, 1911.

IN case the matter may be under lively consideration at His Majesty's Foreign Office, I venture to submit direct two copies of a communication, with enclosures, which I have addressed to the Secretary to the Government of India in the Foreign Department, forwarding a copy of Lieutenant Wilson's report upon the projected Mohammerah-Khoremad Railway.

I have also sent a copy to His Majesty's India Office and to His Majesty's Minister, Tehran.

I have, &c.

P. Z. COX, *Political Resident in the Persian Gulf,
and His Majesty's Consul-General for Fars, &c.*

Enclosure 1 in No. 333.

Lieutenant-Colonel Cox to Sir G. Barclay.

(No. 61.)

Sir,

Bushire, July 25, 1911.

WITH reference to my despatch No. 67 of the 8th October, 1910, I have the honour to forward, for your Excellency's information, copies of a letter, with enclosures, which I have addressed to the Government of India, forwarding Lieutenant Wilson's report upon the projected Mohammerah-Khoremad Railway.

2. In view of the insecurity of communication by post, I have sent a duplicate copy of this communication, addressed to your Excellency, through the Foreign Office, London.

3. In case consideration of the question may be imminent, I have ventured to submit copies of this letter and its enclosures direct to His Majesty's Foreign and India Offices.

I have, &c.

P. Z. COX, *Political Resident in the Persian Gulf,
and His Majesty's Consul-General for Fars, &c.*

Enclosure 2 in No. 333.

Lieutenant-Colonel Cox to Government of India.

(Confidential.)

Sir,

Bushire, July 25, 1911.

I HAVE the honour to refer to the correspondence starting with my letter dated the 2nd October, 1910, recommending Lieutenant Wilson's deputation to examine the possibilities of railway alignments from Dizful northwards through Luristan.

The Government of India will have seen from the interesting diaries which he has furnished during his absence that his journeys have been by no means uneventful, but a combination of judgment and good fortune has brought him through safely, and I now have the honour to submit a copy of his report for the information of higher authority. I may mention incidentally that, in considering the Khor Musa (or Mohammerah)-Khoremad project as a whole he has found it advisable to bring up to date the report on the Mohammerah-Dizful section which was forwarded to the Government of India under my despatch of the 2nd October, 1910. The result forms Part II of his report.

2. The supplementary tracing which I have asked him to prepare, and which, if laid over his map,* will indicate the course of his subsidiary wanderings, will show that he has made a comprehensive examination of the tract within the limits of which a practicable alignment might conceivably fall, and the result of his investigations is to confirm the *prima facie* impression formed by previous travellers, e.g., Sir Thomas Gordon and Captain Lorimer, that the best alignment would be found either up, or to the west of, the Kashgan valley. The full details, which are furnished in Part III of the present report, in regard to both alternatives, will, it is hoped, enable railway

* Not reproduced.

experts to arrive at definite conclusions as to the practicability and probable cost of a railway through this piece of country, which, on the grounds explained by him, Lieutenant Wilson is convinced is the only one which can be regarded as reasonably practicable. For the cheaper of the two alignments, taking the distance from Mohammerah to Dizful as 174 miles, and from Dizful to Khoremad as 185 miles—total 359—he estimates that the cost per mile will work out to 6,395*l.* for the 5-foot gauge and 4,460*l.* for a metre gauge line, and favours the latter alternative.

3. In the course of his deputation, Lieutenant Wilson has incidentally given much thought to other aspects of the contemplated railway than the purely practical one, and in Part I of his report he endeavours to marshal the principal, general, and political considerations affecting the project considered both independently, and in their bearing on the Gulf section of the Bagdad Railway, as they now present themselves to his mind.

The trend of his arguments on the whole is in favour of a rest on our oars for the present in regard to the pushing of the project, at all events, in respect of the section from Dizful onwards.

4. The salient points of his observations appear to me to be these :—

(1.) In the course of his return journey he passed through Bagdad, and had the advantage of discussing recent developments with Mr. Lorimer, who had just returned from Constantinople. As the result of their deliberations he is convinced that the construction of the Bagdad-Gulf section is essential to the preservation of our interests in Bagdad itself and in Mesopotamia generally, and further that it would be premature to despair of our ultimately obtaining a predominant part in the management of the Gulf section.

(2.) That in any case the Bagdad-Bussorah connection will pay even if deprived of the Persian trade which may be deflected to the Mohammerah line, and that consequently the building of the latter line, though it may delay the construction and reduce the profits of the other, will not prevent its eventual completion.

He doubts, therefore, whether the Mohammerah line will prove, except temporarily, to possess so much competitive or political advantage as is at present supposed.

(3.) He is inclined to share the apprehension which the Sheikh of Mohammerah recently expressed,* that the piercing of the Luristan "buffer" may have the effect of destroying the territorial isolation of Arabistan, to which, combined with our consistent support, Sheikh Khaz'al Khan, in a great measure, owes the present strength of his position. This apprehension would be accentuated if the line were made international.

(4.) He thinks that owing to the chronically disturbed state of Luristan, we may find ourselves obliged to intervene to protect the line.

The foregoing and other minor considerations bring him to the view that no action should be taken by us beyond Dizful unless the German or Turkish attitude in regard to the Gulf section of the Bagdad Railway forces it upon us; and that from Dizful northwards we should rely for the present on our road concession to maintain the commercial interests which we now possess in the markets focussing at Hamadan.

5. I do not think that any useful purpose would be served by my discussing in detail the many points raised in his report, especially as there is, in regard to several of them, scope for wide difference of view, or even for the use of the same facts for argument in an opposite direction. On the whole, the conclusions to which Lieutenant Wilson is led, brings us to a position which, speaking broadly, does not differ greatly from that indicated in Sir George Barclay's telegram No. 68 of the 27th February to the Foreign Office, and in my telegram of the 17th March.†

There are certain aspects of the question, however, on which I venture to touch briefly.

6. Firstly, I would observe that we seem warranted in considering that the strong disapproval with which the announcement of our application for an option or concession to construct this line was received in Russian and German quarters, is in itself *prima facie* evidence of the value of the project to us, both as a means of safeguarding the commercial interests which we already possess in the region of which Hamadan is the centre, and as a lever for obtaining satisfactory terms in regard to the Gulf section of the Bagdad Railway.

7. *The Apprehensions of the Sheikh of Mohammerah.*—I am inclined to doubt if the grounds for them are so serious as the sheikh and Lieutenant Wilson anticipate.

* Resident to Government of India, May 14; Resident to Minister, May 14, 1911.

† To His Majesty's Minister, No. 45, of which a copy was forwarded to the Foreign Department with my letter of March 19, 1911.

I presume in this connection that we should take all possible steps to safeguard the sheikh's interests, and in any case, the connection of Tehran by rail with Kermanshah, and of Mohammerah with Dizful, would inevitably make Mohammerah more accessible from Tehran than now, and I doubt whether the mere ability of a Persian regiment to cross Luristan would greatly alter the position, as far as the sheikh is concerned.

From a financial point of view the latter could not fail to benefit greatly from the construction of the line. As it is, the customs revenue has greatly increased since he resigned it to the central Government ten years ago, in return for an annuity which then represented a much larger percentage of the receipts than it does now, and should a further development of Mohammerah as a port of entry take place he would certainly be entitled to our support in pressing for a substantial increase of his present compensatory allowance.

8. *The Value of the Khor Musa Outlet for the Railway.*—Lieutenant Wilson's somewhat pessimistic views of the possibilities of Khor Musa as a commercial terminus do not take into account its strategical advantages, and generally differ a good deal from the conclusions arrived at by His Majesty's naval authorities when the locality was examined in 1904 (*vide* the papers marginally cited, to which I beg reference).*

9. *The Question of Internationalisation.*—This is an aspect of the railway project, which I should regard with great apprehension did I not presume that it was intended, and would be possibly, either to circumvent the difficulty altogether or to effect an arrangement for keeping the control sufficiently in our hands in the way suggested by the Regent.†

In this connection Captain Haworth suggests‡ to me, and I beg that the point may be considered, that the mere existence and the nature of our engagements to the Sheikh of Mohammerah—of which the Persian Government, and I, believe, the Russian Government, are generally aware—make it possible for us to claim independently of any Anglo-Russian convention, that Mohammerah territory is a sphere of British influence, in the development of which we are entitled to have a predominant voice, and which we are under no obligation either to regard as neutral ground except *vis-à-vis* Russia, or to admit the intrusion therein of any foreign element except under conditions conducive to our own interest and those of the sheikh. Whether or not this view can be strictly maintained in theory, it is a fact that we have more than once in recent years made effective use of it in practice, and our special position has, I submit, received tacit recognition. I may instance our negotiations with the Netherlands Government in regard to the Dutch option for an irrigation concession on the Karun, and our frank communication to the Turkish authorities in connection with the Zain incident.§

10. Turning to the present aspect of the railway question as indicated by the refusal of the Government of the day in Tehran to accede to our application for an option, I venture, in conclusion, to offer the following suggestion:—

That we should forthwith secure a lease from the Sheikh of Mohammerah of the shores and islets of the Khor Musa. These are a recognised part of the Fallahieh district, which was granted to him by Royal farman in January 1903. The sheikh would be in precisely the same position in respect of a lease of it as he was in the case of the oil company's site on Abadan, of which his ownership is covered by a farman in exactly similar terms. If any action in this direction were decided upon, it would be important to put through the necessary preliminaries, such as an unobtrusive examination of sites, with as little delay as possible.||

The possibility in the last resort of preventing a concession going to other parties by inducing the sheikh to demand one himself is a contingency which will not perhaps be lost sight of, but which it seems premature, in the absence of fresh developments, to do more than adumbrate here.

I have, &c.
P. Z. COX,
Political Resident in the Persian Gulf.

* Enclosure to Government of India in the Foreign Department, Secret letter, March 24, 1904.

† *Vide* Foreign Office despatch to His Majesty's Ambassador, St. Petersburg, No. 129, May 10, 1910.

‡ Sir George Barclay to Foreign Office despatch No. 55, April 18, 1911.

§ *Vide* Sub-Enclosure 3 to Embassy despatch No. 402, June 21, 1910, to His Majesty's Foreign Office.

|| *Vide* Enclosure to despatch No. 50, July 16, 1910, to His Majesty's Minister, Tehran, and letter of same date to Government of India.

Enclosure 3 in No. 333.

Lieutenant Wilson to Lieutenant-Colonel Cox.

Sir,

Bushire, July 25, 1911.

I HAVE the honour to submit herewith my report on the proposed Mohammerah-Khorembad Railway, which I take the liberty to summarise briefly below.

2. I estimate the cost of the whole line to be about 2,335,000*l.* from Mohammerah to Khorembad, equivalent to about 6,480*l.* a-mile for 360 miles, on a ruling gradient of 1 in 50. The above figures are for Russian gauge (5 feet). At metre gauge the approximate cost would, I believe, be 1,650,000*l.*

3. I believe the project to have a fair prospect of commercial success were metre gauge to be adopted, though there seems even then to be no likelihood of it being worth while for any British company to build it without a guarantee from the British or Persian Government.

4. On the general question of its effect on British strategical, political and commercial interests, I express, with the greatest deference, my belief that our strategical position *vis-à-vis* Russia will not be substantially altered by the railway, if built, but I regard its probable effect on our political interests in the Gulf and in South-West Persia generally with some apprehension. The tendency of the railway will be to weaken the autonomous position of the Sheikh of Mohammerah, thus paving the way for a recrudescence in Arabistan of the anarchy which reigns supreme everywhere else in Persia, and which so handicapped our commerce in the years 1889-1895 between the opening of the Karun and the accession of the present sheikh.

5. Its inception will make the construction of railways in the north by Russia, and the continuation of the Khanikin line to Kermanshah inevitable, if indeed this is not already the case, though of course the converse of the proposition equally holds good.

Since the Persian Government, as far as we can see, are not likely to be able to govern Luristan more effectively during the next decade than they have done in the past two centuries, we must face the contingency of being called upon to take our own measures for the protection of the line at some future time. The Lur tribes are not at all formidable enemies, in my opinion, but the possibility of being called upon to guard such a long line of railway will be a considerable addition to our commitments in this part of Persia, without, it seems to be, any commensurate gain to our commerce. An international expedition with the same object would be even more objectionable.

The prospect of the line being placed under international control is not one that we can view with complacency; it could scarcely fail to prejudice gravely our position in Arabistan, and would lead to complications with the sheikh.

6. As regards the effect of the line on our commerce in Persia, I have expressed the belief that our predominance in the markets of which Hamadan is the centre will not be seriously threatened until Kermanshah is linked up with Bagdad, and that the projected Luristan line would not appreciably alter the proportion of British imports now consumed, though it should lead to a substantial increase in the quantity of goods passing through the hands of British firms and imported and exported in British ships. Its main effect would be to displace the Russian sugar and hardware now entering from the north by the produce of Germany, France, and Austria (though imported, we may hope, by British firms) and Russian oil by the products of the Anglo-Persian Oil Company, but the demand in Western Persia for the last-named commodity is not likely to assume importance for many years to come.

7. The effect of the proposed railway on the Bagdad-Persian Gulf line would be, I believe, to deprive the latter of a considerable proportion of its upward traffic, and impair its prospects of being financially profitable until irrigation on a large scale is introduced into Mesopotamia, but this result will not be attained unless the line is prolonged at once to Burujird at least.

I cannot believe, however, that it will for long postpone the construction of the Bagdad-Persian Gulf line, nor permanently damage its position. I am much impressed with the inadequacy of the Tigris and the importance to us of a Bagdad-Bussorah Railway which will place the capital of Mesopotamia in close touch with British shipping and go far to help us to retain our position in Bagdad, if honestly worked. If Bagdad is linked up with Europe, but not with the Gulf (and the Tigris is no substitute for a railway for this purpose) a hundred factors will tend to alienate Mesopotamia from the principal seats of our commercial and political influence in the Middle East, and a

diminution of our political prestige will follow, a serious matter when it is remembered that Bagdad is the centre of the pilgrim traffic of large sections of the Mahommedan world. The Bombay mills, moreover, are indisputably destined to find in Mesopotamia a large and increasing market for their products.

8. I submit that we should use the Mohammerah-Khoremad option only as a lever to obtain fair terms for ourselves on the Bagdad-Persian Gulf Railways, and that we should not take active steps to build it unless forced to do so by, for instance, the prospect of the right to do so being granted to others, or by failure on our part to obtain a predominant share in the Bagdad-Gulf section. In the latter contingency, I have advocated the construction of a Mohammerah-Dizful line, connected with Khoremad and Burujird by good cart roads, for which we already have a concession, in this way securing to ourselves most of the benefits of the railway without the political risks which, it is suggested, its construction would involve.

9. The map accompanying this report is the result of a continued plane table and prismatic compass survey; the original sheets are forwarded without any adjustment or alteration; each week's work was inked in regularly, as it was impossible to keep the work in pencil only so long a period; the map is, in consequence, I fear, unsuited to photographic reproduction, and will have to be redrawn by a draughtsman; in extenuation of my defective caligraphy I can only say that I had no tables or chairs in camp with me and no draughtsman's apparatus; all detail on the map except south of the Kabir Kuh represents actual observation by myself, and I have not "compiled" any portion of it, except north of Khoremad, where I was prohibited by my instructions from surveying.

10. Breakdown of my camera at the outset of my journey unfortunately prevented my obtaining any photographic records; the photogravures enclosed herewith are extracted from De Morgan's "Mission Scientifique en Perse."

11. I would ask that Part II of this report may be substituted for the report forwarded under your letter dated the 10th October, 1910, to the Government of India.

I have, &c.

A. T. WILSON,

On Special Duty.

Enclosure 4 in No. 333.

Report by Lieutenant Wilson on the proposed Railway from Khor Musa to Khoremad, and its prolongation to Burujird.

PART I.—GENERAL AND POLITICAL CONSIDERATIONS.

WHILST fully realising that any decision on the part of His Majesty's Government, in regard to the construction of railways in South-western Persia, must ultimately depend upon considerations of which I am for the most part ignorant, and regarding which I am not competent to express an opinion, it seems, nevertheless, convenient that I should preface this report on the practical aspects of the projected Luristan line by a brief summary of some of the principal general and political considerations affecting it, as far as I am aware of them.

2. The Attitude of the Russian Government.

The attitude of the Russian Government to the Luristan project has undergone a notable change since 1907, and it had declared its strong dislike, on commercial grounds, of any railway which approaches the Russian zone from the south, whilst recognising our right to construct the Luristan line as far as Khoremad, Russian Foreign Ministers have been unanimous in their belief that the Russian public opinion would be strongly opposed to any action by Great Britain in such a direction. No great outcry, however, seems to have been made by the Russian press, which has shown less interest in the matter than that of Germany, and Russia has been unable to offer any valid

reason for opposing us in this direction, whilst assisting Germany to join up Bagdad with Tehran.

Hostile as Russia undoubtedly is to the project, it seems improbable that she will be able to press her objections so strongly as to affect materially whatever decision may be arrived at by His Majesty's Government. Her need of British capital for railways in the north alone suffices to make her practically unable to offer determined diplomatic opposition to our proposals.

She may, however, effectively oppose our entry into the Russian sphere by an extension of our line to Burujird, and may place obstacles in the way of any connection being made between our terminus there and Russian lines which may, in the meantime, have been brought down from the north; she might also hamper us by stipulating for international control, and by opposing the running of motor traffic on our roads, should we desire to initiate such between Khoremad and Burujird, for instance, or from Burujird northwards.

3. Relation of the Project to and its effect on the Bagdad Railway.

As long as 1891, M. de Morgan, chief of the "Délégation Scientifique en Perse," in his published reports, discussed briefly the Luristan railway project, and came to the conclusion that, as a commercial speculation, it could not bear comparison with the Bagdad-Kermanshah line, which had few physical difficulties to contend with.

From the purely commercial point of view this seems not improbable, particularly when it is remembered that a Bagdad-Kermanshah line might form part of a great through route to India from Europe via Constantinople. But it will connect Western Persia with the sea by a section passing wholly through Turkish territory, and having its terminus in non-Persian territory, a state of things contrary to the interests of Persia generally. On the other hand, the principal shrines of the Shi'eh faith are close to Bagdad, and thus even the passenger traffic on the Khanikin will be in itself a source of profit.*

As regards good traffic: from Bagdad the stream of exports from Persia will inevitably flow towards the Gulf in the main, and imports will follow this route for the most part, whether the Persian Gulf-Bagdad Railway be constructed or not. It may be assumed, therefore, that the Bagdad-Kermanshah line will be remunerative from the first, even though it will be subject to the competition of the Luristan line, which would deprive it of a considerable portion of its goods traffic, and a part of its passenger traffic. Being shorter, and for the whole of its length in Persian soil, thus avoiding Turkish dues and exactions, the Luristan line will have an initial advantage which no reasonable adjustment of rates on the Turkish line could entirely neutralise. Even at present the weight of goods imported to and exported from Kermanshah via Khanikin, aggregates nearly 50,000 tons.

I conclude, therefore, that the Luristan line would have a markedly unfavourable, but not ruinous effect on the Persian Gulf-Bagdad line, and to a much less degree on the Bagdad Railway as a whole. Its construction might so reduce the prospective traffic on the Persian Gulf-Bagdad Railway as to make it impossible for the latter to earn enough to be financially profitable for some years to come, or until irrigation on a large scale has been introduced and extended in Mesopotamia, thus robbing the line of its attraction to investors.

I cannot, however, believe that the construction of the Luristan line will for long postpone the realisation of the Bagdad-Gulf project, nor permanently damage the financial prospects of the latter; its effects are likely, however, to be sufficiently to make the threat of its construction a valuable lever when negotiating with Germany or Turkey.

The value of the line as a lever will be small, however, unless prolonged beyond Khoremad to the great commercial centres of which Hamadan is the chief, or at least as far as Burujird. From Bussorah to Bagdad by rail (350) miles is no further than from Mohammerah to Khoremad, and the former line will undoubtedly be cheaper to construct than the latter.

I have suggested (paragraph 9) a rate of 4*l.* a-ton as the cheapest average rate

* The number of pilgrims from Persia who passed Khanikin in 1905 was 95,000; in 1910, 55,000, according to Turkish quarantine statistics; a considerable increase may be expected as a result of railway construction on this line.

we can afford to charge on goods between Mohammerah and Khoremah. How does this compare with the actual river rates and prospective railway rates between Bagdad and Bussorah? The following tables may throw some light on the point.—

STATEMENT showing Freights charged in 1910 on Goods between Bussorah and Bagdad and *vice versa*.

Class.	Imports.	Exports.	Total.	Rate per Ton.	Rate per Maund (80 lbs.).
	Tons.	Tons.	Tons.	£ s. d.	d.
II	16,000	14,338	30,338	1 2 0	9½
II	4,562	2,965	7,527	1 12 8	14½
III	742	1,850	2,592	1 15 0	18½
IV	237	9,394	9,631	2 13 8	22½
V	4,800	3,605	8,406	3 4 3	27½
Total ..	26,341	32,153	58,494	Average*	
				1 15 3	

* Calculated proportionately on the quantity of goods carried at each rate.

In addition to the above figures, to find the total movement between Bussorah and Bagdad, add 20,000 tons local cargo, and 27,000 passengers in either direction.

STATEMENT showing Maximum Rates chargeable for 350 miles between Bagdad and Bussorah by Rail if the Ottoman Anatolian Railway Company's Tariff were to be applied.

Class	Description.	Maximum Rates Chargeable.	
		Per Ton per Mile.	Bagdad to Bussorah (350 miles).
I	General goods, hardware, piece-goods, manufactures	d.	£ s. d.
II	Minerals, stone, meat, fish, preserves ..	3.2	4 13 4
III	Rice, cereals, coal, flour, fresh vegetables ..	2.35	3 8 6
IV	Cereals in bulk, over 900 kilom. ..	1.9	1 15 5
		0.52	0 15 2

Maximum rates are, however, not charged on the sections of the Ottoman Anatolian Railway now in working order, the actual rates charged being only one-third of the rates fixed by the convention.

The average North-western Railway (India) rate of 4.72 pice per ton per mile, if applied to the Bagdad-Bussorah line, would work out at 11s 5½d. a-ton; the average Indian rate of 5.5 pice per ton per mile would work out at 13s. 6½d. per ton.

The conclusion I draw from these figures is, that if Khoremah is to be the distributing centre and terminus of the Luristan line, it will not be able to compete with Bagdad, which has great initial advantages over a small isolated town like Khoremah. In order to fulfil its object the line must be prolonged at all events as far as Burujird.

We have not given up all hope of participating in the Bagdad-Bussorah Railway, the construction of which is of the greatest importance to us as a set-off to the Constantinople-Bagdad line, which will tend to alienate Mesopotamia from the principal seats of our commercial and political influence in the Middle East. Until we are forced to abandon hope of retaining a predominant share in such a line, it would seem to be against our interests to take any active steps towards the construction of a Luristan line, which is in itself politically and perhaps strategically objectionable, and which may ultimately prejudice our interests in Mesopotamia.

Even were we to pursue the scheme, however, the necessity for us to join in

building the Bagdad-Bussorah line would be none the less imperative in the interests of our position in Mesopotamia.

Were we to build a railway from Mohammerah to Dizful (a line costing but little and with every prospect of paying its way at metre gauge eventually, if the feeder roads to the north were built and properly organised), and to reserve to ourselves the right to extend it to Khoremah, we should prevent any possibility of railway enterprise by other nations in this region, and at the same time retain in our hands a valuable lever to force the Turks to give us a predominant share in the Tigris Valley Railway Company when it comes to be formed.

It is scarcely necessary to add that there is no point south of Khoremah except Dizful which could be made a terminus of the projected line, and the suggestions of the Russian Government in this connection are quite impracticable.

4. Attitude of the Persian Government.

The superior advantages of the Luristan Railway over the Bagdad-Kermanshah project from the point of view of the Persian Government, if the former is alternative to and not in addition to the latter, is so strong as to need no laboured demonstration. It is to Persia's interest that her exports and imports should flow in channels wholly within her borders and under her control, and that all the indirect benefits following on the establishment of an important port should accrue to her and not to the Turkish Government. It is to her interest to strengthen her hold upon her south-western provinces, and no more powerful interest than the railway now under discussion could be desired for the purpose.

No alignment between the northern end of the Gulf and Western Persia, by which I mean the country of which Kermanshah and Hamadan are the centres, will suit the Central Government equally well. The next best, from her point of view, would be a Mohammerah-Ispahan line, but this has been pronounced, after careful expert examination by Major W. R. Morton, R.E., to present prohibitive physical obstacles to a cart-road, from which it may be inferred that a railway is likewise impracticable.

The rescript of Nasr-ud-Din Shah in reference to a Tehran-Shushter railway is well known, and need not be further referred to.

The Persian Government may be expected, I conclude, ultimately to favour the project, though great difficulty will doubtless be met with in obtaining a concession on anything like equitable terms. It will probably be difficult to reconcile the rights of the Sheikh of Mohammerah in the matter, as guaranteed to him by us, with the claims and pretensions of the Persian Government.

5. Probable effect of proposed Railway on British Political, Strategical, and Commercial Interests.

On this subject the view which I respectfully submit below may be summarised by saying that the prospect is unattractive as a commercial speculation, and its political disadvantages, which are ultimately largely commercial ones, outweigh, in my belief, any advantage which it may afford to our commerce in West Persia; strategically the line would appear to be of small importance to us.

The arguments against the construction of a line connecting Arabistan with West Persia may be summarised as follows:—

We are already strongly established in Arabistan with sufficient security for our trade, and with every opportunity for increasing it by extension of oil works, irrigation, &c. Whilst a light railway to Dizful would undoubtedly assist the development of the province (as would also the Luristan road from Dizful to Burujird), the Karun at present provides a sufficiently good channel as far as Shushter for local requirements, and, as regards Dizful, there is nothing to prevent the utilisation of the Diz for that purpose to within 20 miles of that town. The Luristan line will contribute but little to the development of Arabistan (Mohammerah, of course, being excluded), as the agricultural products of the province must always go south, not north, by boat and not by rail, and it is from the south that the vast bulk of its needs must be supplied; if under international and not British control the line may lead to an actual diminution of our prestige and to all sorts of complications with the sheikh.

Russia's economic and political progress southwards has hitherto been checked by the Zagros Mountains; if these be pierced by a railway our position in Arabistan will

be weakened, and there is nothing to show that we shall obtain anything like adequate compensation in the markets of West Persia, in which British goods greatly preponderate at present, and are likely to do so at all events until Kermanshah is joined up with Bagdad.

The following figures for the foreign trade of Hamadan supplied by the manager of the Imperial Bank of Persia may be considered, I think, to support this contention:—

British trade—						£
United Kingdom—						
Piece goods (worth about 100L a ton) .. .. .	..	..	..	..	..	850,000
India—						
Spices, copperware, tea, cotton, yarn, thread, indigo .. .. .	..	..	..	..	..	180,000
Total British trade .. .. .	..	..	..	..	..	1,030,000
Russian trade—						
Sugar .. .. .	..	..	..	..	..	80,000
Oil .. .. .	..	..	..	..	..	10,000
Glass, hardware, &c. .. .. .	..	..	..	..	..	5,000
Iron from Ardabil .. .. .	..	..	..	..	..	6,000
Cheap prints, &c. .. .. .	..	..	..	..	..	7,000
						108,000
Germany, America, and France—						
Drugs, woollens, fancy goods, synthetic indigo .. .. .	..	..	..	..	..	100,000
Turkey—						
Skins, figs, dates .. .. .	..	..	..	..	..	32,000
Total foreign trade .. .. .	..	..	..	..	..	240,000

The construction of the railway would probably cause a displacement of Russian oil by the Anglo-Persian Oil Company, and of Russian sugar and hardware by the produce of Western Europe, but it seems that British trade would only benefit by the general improvement in commerce that may be expected to follow upon the construction of the line.

I do not forget that it is British firms who may be expected to import sugar and hardware in displacement of Russian products, thus enabling them to increase their exports, but I do not think that the prospective profits under this head are likely to be sufficient to affect materially the situation as I have depicted it.

We have built up considerable commercial interests in Arabistan under the security provided by the strong and autonomous régime of the Sheikh of Mohammerah. A railway connecting Arabistan with Western Persia can scarcely fail to weaken his powers, without bringing to him or to us any counterbalancing advantage. His rent-roll will be somewhat swelled, it is true, but that will not compensate him for the destruction of the geographical isolation of his territories from the rest of Persia which will follow the construction of the railway. As for the Turks, he would sooner deal with them single-handed than with the aid of such a two-edged weapon as the armed assistance of the Persian Government.

The temporary extension of the Persian Government's influence and maleficent administrative activity to Arabistan from 1880 to 1895 was synchronous with a period of almost continuous disorder, which so hampered British commercial enterprise in the provinces that the opening of the Karun remained for years almost without effect and our trade was nearly strangled, and it is only now beginning to recover from the effects of that treatment. This state of things ceased only when Sheikh Khaz'al, by his wise and far-seeing policy, contrived to emancipate himself from the arbitrary interference of the Persian Government, patriarchically and without molestation, so long as he paid the Government revenue regularly, which he has done ever since. There is no reason whatever to suppose that an extension of the Persian Government's facilities for interference will not have precisely the same effect in the future as in the past.

The projected line will in no way meet Indian passenger traffic or mail requirements, and the advantage which it will secure to our commerce in Central Persia will presumably be neutralised to a large extent by Russian railway construction advancing *pari passu* from the north. The construction of the Bagdad-Kermanshah line, if we have a predominant share in the Bagdad-Gulf section, will assist our commerce in an almost degree, and leave us relatively to Russia in much the same position we at present occupy in the markets of Central Persia.

Finally, it seems improbable that the Persian Government could itself permanently secure the safety of the railway if built, or even the freedom of the construction from molestation by the tribesmen; we might easily be called on to send troops to Khorembad to protect the line from destruction, and it is not endangered thereby. International interference with the same object would be even more obnoxious to us. This objection applies, it is true, to road construction in Luristan, but in the latter case the capital involved is comparatively quite small, and the amount of damage that can be done less.

6. Such are some of the arguments which may be urged against the railway apart from its financial aspects, which are dealt with below (paragraph 9). In favour of the line it may be urged that the Bagdad-Kermanshah line, connected as it is with Bussorah by river only, is not suited to convey agricultural produce to the sea, that it will not sufficiently develop the export trade, which will be hampered by transit dues, and it is upon an increased export trade that we must rely to obtain any substantial increase in the volume of our imports. It may further be said that Turkish obstruction may be counted on as a certainty, and that we shall in practice be unable to guarantee that freight rates will not be manipulated to our disadvantage, as in the case of the Hamburg-Amerika line. But if these objections can be satisfactorily met, much of the necessity, from our point of view of the Luristan line, would seem to disappear. Control of the Bagdad section should enable us to prevent differential rates on the Khanikin-Kermanshah extension.

It may be pointed out that the Mohammerah line is vastly superior, from the point of view of purely Persian interests, and that our oil industry in South-western Persia will benefit by the line, and stress may be laid on the rapid increase of trade that will follow the construction of the railroad; this is undoubtedly a good argument, but it presupposes the restoration and maintenance of order in South-western Persia, a consummation still far distant, specially in Luristan.

To a large extent, moreover, the Bagdad-Kermanshah Railway will have the same effect at a minimum of expense and without the political and financial risks that, it has been suggested, a railway may involve.

As regards the effect of the railway upon the Sheikh of Mohammerah, it may be held that, as in the past so in the future, he will adapt himself to altered circumstances, and, with our support, maintain his present position *vis-à-vis* the Persian Government. An investigation of this point, however, involves the discussion of probabilities and contingencies too remote for consideration within the limits of this report.

7. It may be urged that, for strategical reasons connected with the defence of India, it is undesirable that a connection should be made by rail between Central Persia and the head of the Persian Gulf, but such considerations apply with greater force to the Trans-Persian Railway, which, it is understood, has been accepted in principle by the Government of India, subject to proper safeguards. In any case, as long as we have naval predominance in the Gulf, the Luristan Railway can have little value to Russia, more particularly if its terminus be at Mohammerah, up the Shatt-el-Arab River, and not at Khor Musa.

It may also be argued, on the other hand, that "the time may come when the power of rapidly moving a force to Tehran or its neighbourhood by so short a route from India may be of great advantage" (memorandum by Major Baird, D.S.O., dated the 5th June, 1907, printed by chief of staff's division, India). Such prospective value to us seems, however, very problematic, as also its military value to Russia, and I do not think that we need have any serious apprehensions as to the strategical effect of the line upon our position in the Gulf.

My humble opinion, after weighing the advantages and disadvantages of the Luristan line is that the best course for us would be to build the Mohammerah-Dizful Railway as soon as possible and connect at once by a well-built road to Khorembad and Burujird.

From Dizful to Hamadan by road is about 250 miles, from Bagdad to Hamadan about 325. We shall, then, be able to land goods at Hamadan at all events as cheaply *via* Dizful as we are now able to do *via* Bagdad, and far more expeditiously. When the railway is completed as far as Bagdad we should then, and not till then, start on the Dizful-Khorembad section, in anticipation of the prolongation to Khanikin being built,* should we by this time have been forced to give up hope of controlling the Bagdad section, predominance on which would render the construction of the Luristan line in my view, superfluous, in view of the political objections to it.

* There is, I understand, a possibility of the main line passing through Khanikin to Bagdad.

It would probably be to the advantage of both ourselves and Russia to prevent railway construction in Persia for another ten years, but as Germany seems to have succeeded in compelling Russia to abandon this policy, the course I have outlined above seems to offer the fewest objections. It involves no large outlay, and would probably be financially remunerative before long; it also makes no great addition to our commitments in this part of Persia.

8. Gauge of proposed Railway.

We may assume that for our purposes there are three possible gauges, 5 feet, 4 ft. 8½ in., and metre gauge. There would seem at first sight to be good *prima facie* grounds for choosing the Russian (5 feet) gauge, which would facilitate the prolongation from Khorremabad to Burujird, which I believe to be essential to the success of the line, and the extensions thence to some point or points on the Russian railway from the north when it comes to be constructed. But I have submitted in the succeeding paragraph that it is only by building the line to metre gauge that we can ever hope to make it a financially sound proposition. This argument should suffice to outweigh any objection by Russia against the break of gauge, which is in itself strategically most desirable. The financial argument has the additional advantage of enabling us to put forward strong reasons for a break of gauge on the border of the neutral zone no less than on that of the British zone.

The 4 ft. 8½ in. gauge, as used on the Bagdad Railway, enables a high rate of speed to be attained by heavy trains, but it is financially objectionable, and would be so on strategical grounds should the Tehran-Khanikin line be built to this gauge.

The 2 ft. 6 in. gauge advocated by Sir T. E. Gordon is, I would submit, too small to be economical; it has only been adopted in India for a few hill railways of exceptional difficulty and some feeder lines in Southern India.

The metre gauge is much the cheapest and can be used with sharper curvature than the broader gauges; the rate of speed is slower and the maximum load that a train can carry is less. As the Luristan line is never likely to be a mail or main passenger line, the slower speed seems unimportant; and as regards the traffic it could carry, though I can profess no expert knowledge on the subject, I venture to record my belief that a metre gauge will be ample for the requirements of the country for the next twenty-five years at any rate. Putting the train load at the low figure of 400 tons, one train a day would deal with 150,000 tons a year. This question is further dealt with in the next paragraph.

Whilst considering the metre gauge for financial and strategical reasons in every way preferable, I have nevertheless estimated for a broad gauge line, whilst adding estimates for meter gauge as far as I am able to deduce them.

9. Financial Prospects of the Line.

The estimates of cost of the line (5 feet gauge) are based on the same classification as that adopted by Mr. John for the Baluchistan line, which provided for 5 ft. 6 in. gauge, 62 lb. rails, wooden sleepers, and a small quantity of rolling stock, stations, &c., on a moderate scale. Iron sleepers would, however, be undoubtedly necessary, owing to the prevalence of white ants and the temptation to theft which wooden sleepers would offer to the tribes.

The details of the proposed alignments and their estimated cost will be found in Part II and III of this report.

They may be summarised as follows (converted into £ from rupees):—

	Miles.	5-feet Gauge.	Metre Gauge.
Via Kuh-i-Dasht—			
Mohammerah-Dizful	174	£ 633,333	£
Dizful-Khorremabad	185	1,700,000	6,395 per mile
Total	359	2,333,333	1,640,000
Via Kashgan Gorge—			
Mohammerah-Dizful	174	£ 633,333	£
Dizful-Khorremabad	140	1,871,000	7,657 per mile
Total	314	2,404,333	1,685,000

I was unavoidably prevented by heavy floods and disturbances from examining the Kashgan gorge in detail; it is not improbable that expert examination will prove it to be no more expensive and perhaps cheaper than the Kuh-i-Dasht line, which is, according to my tentative figures, cheaper, though harder, to build, 43 miles longer and of steeper gradient.

10. On the assumption that the cost would diminish proportionately to the gauge (though I believe that it is the general experience of railway engineers that the reduction of cost is not as a rule proportionately equal to the reduction in gauge) the cost of the two alignments by metre gauge would be approximately as shown above.

The cost per mile as shown on the above table may be compared with the payments made by the Turkish Government to the Bagdad Railway Company for each kilometre built, i.e., 10,764*l.* in bonds per kilometre, equivalent to about 13,600*l.* in cash per mile.

Taking first the case of the 5-foot gauge, let us assume the total cost to be 2,350,000*l.* for the purpose of discussion, which I would preface by disclaiming any pretence at expert knowledge. Considering the circumstances of the railway interest, sinking fund charges, and royalties to the Persian Government could scarcely be less than 200,000*l.* a-year or 576*l.* a-mile. This is 8·8 per cent., of which I allow interest at 5½ per cent., sinking fund at 2½ per cent., and 8 per cent. or 18,000*l.* or 5*l.* per mile for royalties to the Persian Government. To earn this sum gross receipts totalling something like 640,000*l.*, or nearly 1,800*l.* a-mile, must be earned^{*} assuming the ratio of gross receipts to net receipts to be as three is to one, roughly speaking. At an average rate of about 3*d.* a-ton per mile,† or 4*l.* a-ton from Mohammerah to Khorremabad, about 170,000 tons must be handled to earn this sum, the vast proportion of which must be through traffic. I ignore receipts from passenger traffic as unlikely to pay even the running expenses of passenger trains: a couple of coaches attached to a goods train will probably be all that is required for some time to come. It is difficult to see any prospect of more than half the amount of goods traffic required being available for transportation by rail for the next twenty years at all events.

The rate of 4*l.* a-ton to Khorremabad may seem a high one, but it must be remembered that the Turkish duty of 1 per cent. is equivalent to a duty of more than 1*l.* a-ton on piece goods (when additional Turkish charges are taken into account), and probably not less than 2*s.* a-ton on wheat. In estimating the incidents of freights, therefore, these sums should be deducted from the rates charged on the Luristan line.

11. Metre Gauge.

If metre gauge were adopted, net receipts would have to be about 140,000*l.* a-year, at the same rate, and gross receipts 120,000*l.*, necessitating the handling of over 100,000 tons of goods per annum.

The weights of imports and exports *via* Kermanshah in 1910-11 were roughly as follows:—

	Tons.
Imports	42,000
Exports	3,000
Total	45,000

Allowing for goods smuggled for personal property, the total probably amounts to over 50,000 tons. Of this quantity only 25 per cent. is for local use, the rest being forwarded mainly to Hamadan for distribution. The products of the Kermanshah and Hamadan districts are mainly exported to Russia at present; a railway would certainly divert them to a large extent to the south. Such exports would probably amount to

* Gross receipts of about 228*l.* a-mile (180*l.* a-kilom.) are guaranteed in the case of Bagdad Railway.

† The maximum freights authorised on the Bagdad Railway are as follows:—

	Per Kilom.	Per Ton per Mile.
	Paras.	d.
1. General goods, hardware, piece-goods, and manufactures ..	35	3·2
2. Minerals, stone, meat, fish, preserved vegetables ..	27	2·35
3. Rice, cereals, coal, flour, fresh vegetables ..	22	1·9
Cereals in bulk carried over 900 kilom. ..	6	0·52

(Vide p. 58, Bagdad Railway, No. 1, 1911, Parliamentary Papers.)

Note.—40 paras = 1 piastre; 1 piastre = 2·165*d.*; 100 piastres = £ T. 1.

20,000 tons a-year to begin with. One of the disadvantages of the Luristan line is that it would obtain very little internal goods traffic, as the Arabistan exports go south to the sea, and the requirements of the province are mainly supplied locally or from India. There is practically no exchange of commodities between this province and the rest of Persia, whereas there is a very large internal trade between Kermanshah, Hamadan, Tabreez, Kasvin, Tehran, &c., amounting to about 500,000*l.* per annum in the case of Hamadan.

There is, therefore, reason to believe that eventually the bulk of goods transported would suffice to make a metre-gauge railway pay, since 30,000 tons of the Kermanshah imports and exports would probably be available at once, and a further 20,000 tons of exports now sent to Russia, may be expected to adopt this line, thus giving us at once half the total required to make the railway pay its way. The project, therefore, though unattractive as a commercial speculation, seems a sound one, though some sort of guarantee at first would appear inevitable. The Persian Government is obviously unable to give one: whether the situation justifies the British Government in doing so is a question beyond my competence, but I have already submitted that the railway is politically disadvantageous to us. Mr. Greenway in his letter of the 7th January, 1911, to the Foreign Office, states definitely that a Government guarantee will be necessary, because of the insecurity of the country.

12. We turn now to the question of a cart-road between Dizful and Khoremad and Burujird.

The approximate length of a cart-road via Pul-i-Kurr to Dukhtar and Madian Rud would be—

	Miles.
From Dizful to Khoremad	154
From Dizful to Burujird	220

A metalled road, suitable to carry heavy motor traffic, with a ruling gradient of 1 in 25 to 1 in 30, with suitable serais and post-houses, and a telegraph line alongside, is what is wanted.

We shall, I think, be on the safe side in estimating the average cost of such a road at not more than 600*l.* a-mile all included, except the telegraph line.*

Such a road should be able to handle expeditiously, if properly organised, all the traffic likely to offer for a long time to come; the capital involved is much less than that necessary for a railway, the prospect of it being damaged by tribesmen less, and the possible profits larger.

Further discussion of this subject is not, however, germane to the present report, and I confine myself to suggesting with great respect that the possibility is one deserving of close examination at the hands of experts. (See also Part 5.)

The Russian native agent at Burujird, in a detailed confidential report to his consul at Kermanshah, to which I obtained access when in the former town, reported that the imports of Russian goods into Burujird (part of which were destined for Khoremad) aggregated 52,000*l.* in value.

Hamadan was the depôt from which the needs of the district were supplied in all cases.

The principal articles were (in order of importance) piece-goods, sugar, kerosene, matches, hardware, tea, and glass-ware, but the value under each category was not given.

There is no doubt that the sugar and kerosene were of Russian origin, and also the glass-ware, and perhaps the bulk of the hardware, but the matches in use in Burujird are Swedish and Austrian, not Russian, though imported through Russia by Russian merchants. As regards piece-goods, the vast proportions are undoubtedly of British make, though Russian patterns are closely imitated.

Mr. Macmurray, of the Imperial Bank of Persia, Hamadan, reports on the 29th March, 1911, that "nothing competes with Manchester goods here except a white material, which comes from looms in India."

Matches, hardware, and glass-ware are commercially of little importance, and as things now stand, therefore, the only articles of importance which Russia now supplies, and which we should furnish if the railway were built, are oil and sugar. The former will shortly be produced by the oil company at Mohammerah or Kasr-i-Shirin, but the total consumption of this product within Persia is likely to be but small for some years to come. The sugar now imported is at present almost entirely foreign, but there seems

* Approximate cost of telegraph line may be taken at not over 600 rupees a-mile.

good reason to hope that before long British sugar may compete successfully in this market.

Piece-goods being unbreakable, compact, and of a high value relatively to their weight, are better suited to mule transport than are the other important commodities which Persia imports, and the advent of the railway will not largely improve our trade in this direction, as we supply practically the whole of West Persia to the exclusion of Russian imports.

PART II.—ARABISTAN PORTION OF ALIGNMENT: DESCRIPTION AND ESTIMATES.

Report on Mohammerah-Dizful Section of projected Mohammerah-Julfa Railway.

14. Reference to Maps of Country traversed by proposed Railways.

Mohammerah-Kut Nahr Hashim (1 mile = 1 inch).—Four sheets, Chief of General Staff's Division, 1909-10. Plane table survey with bends and contours.

Mohammerah and Environs (4 miles = 1 inch).—One sheet, F.D., 1909, plane table survey.

Mohammerah-Dizful (4 miles = 1 inch).—Six sheets, Chief of General Staff's Division, 1909.

15. Length of proposed Railway from Mohammerah to Dizful.

Via Kut Nahr Hashim, 164 miles.

Via Aminieh (opposite Nasiri), 174 miles.

16. Route.

A reference to the map will show that there are really only three possible railway routes from Mohammerah to Dizful:—

- (1.) Via Aminieh and west bank of Diz.
- (2.) Via Kut Nahr Hashim and west bank of Diz.
- (3.) Via Kut Nahr Hashim and east bank of Karkheh crossing Shaur near Shush.

No. (3) can be put out of court at once, owing to its greater length and the comparatively difficult country through which it would have to pass. The hills at Sab'eh (some 350 feet above plain) are represented, near the Diz by a few low gravel hills not over 60 feet high, the Tul Raiyash hills, some 2 miles broad and 250 feet high, find no counter-part near the Diz.

The comparative merits of route (1) and (2) are summarised below:—

(1.) Via Aminieh (Length 174 Miles).	(2.) Via Kut Nahr Hashim (Length 164 Miles).
Would afford alternative route between Ahwaz and Mohammerah in place of present river steamers, whose displacement would clear a way for utilisation of Karun waters for irrigation; the Karun irrigation scheme, however, is generally considered, apart from this, to be unprofitable, and its cost (500,000 <i>l.</i>) is so great as to make its inception impossible. Might suffer from competition of river traffic, as merchants might ship goods to Ahwaz for forwardment thence either by rail or via the Diz to Kal'eh Bandar.	Would facilitate adoption of the Karkheh irrigation scheme an unambitious measure estimated to cost in the first instance 75,000 <i>l.</i> , and returning net profit 20 per cent.
Local passenger and fast goods traffic, but inconsiderable and probably insufficient to counter-balance loss by river competition.	Would secure all the Mohammerah-Dizful traffic and have nothing to fear from competition of river steamers, which would feed Ahwaz, Shushtar, and Isfahan as usual.
	Would give Arabistan a double set of communications (rail and river) serving separate areas, the one serving Dizful, Nahr Hashim, and Hawizeh; the other, Shushtar and Ahwaz.

The balance of advantage lies, I think, with the Kut Nahr Hashim route, and this is the line I recommend, though I estimate for the Aminieh route, which is slightly more expensive.

17. Description of Country through which Line would pass.

Mohammerah-Nahr Hashim Section (86 miles).—Flat, barren, alluvial soil, not liable to flood except close to Mohammerah; floods not sufficiently serious to demand facing embankments with stone; only 6 inches to 1 foot of water, and only for a few weeks. Little sand; no stone; practically no nalas or surface drainage channels. No vegetation. Water obtainable anywhere 15 feet to 20 feet by digging. Kut Nahr Hashim is 250 feet above sea, giving an average gradient from Mohammerah to Nahr Hashim of about 1 in 2,000.

Nahr Hashim-Shaur River (16 miles).—Gently undulating ground; low ridges of soft rock which can generally be avoided, or cut through at low pass. Slope of ground to north still almost imperceptible. No drainage channels or nalas worthy of note. No permanent habitations. Sandhills frequent, but stationary, and offering no obstacle. Stone from hills not good enough for use as ballast, has about the same consistency as half-burnt brick, crumbles rapidly. Shaur must be bridged, see below.

Shaur-Shush (550 feet; 45 miles).—Up to within 10 miles of Shush line follows west bank of Diz. Alluvial soil; no sand or stones; plentiful brushwood. 10 miles south of Shush grand hills, about 60 feet high and $\frac{1}{2}$ mile in breadth, are encountered; these offer no difficulty whatever, and will be valuable source of gravel for ballast. The line would probably leave Shush 2 miles to the west.

Shush-Dizful (680 feet; 18 miles).—Over flat and, near Dizful, stony ground. Excellent ballast available from pebbles and boulders in Diz and Bala Rud. Two branches of Bala Rud to be crossed; see below. Irrigated cultivation in many places.

18. Bridging.

Khaz'alich Canal behind Mohammerah.—Thirty-foot bridge necessary; 12 feet above ground.

Shaur River.—This a mere ditch; as it takes its rise level from springs near Shush, it is subject only to local floods. A 50-foot span resting on masonry buttresses on either bank should be ample. Alluvial soil. North of the Shaur for two miles the ground is subject to flood from marshes by the Kharur nala; pitching of stone or bricks will be required, and one or two culverts.

Bala Rud.—Two branches to be crossed; river bottom and subsoil gravel; river changes its bed from time to time, unless trained; dry in summer; floods to 5 feet or 6 feet in spring, but not more. At certain points the bed of the stream is well defined; at such points the breadth of water at flood level is about 35 yards, normal spring level 20 yards. A bridge composed of three 60-foot spans, resting on masonry pillars would probably be economical. The above applies equally to both branches.

19. Local Labour.

The labour obtainable in Arabistan is of two kinds, Arab and Persian. The Arab, however, is too well off to be under the necessity of working with the spade for 2 kranas (9d.) a day, and is constitutionally unfitted for regular and strenuous work. The experience of the Anglo-Persian Oil Company is that it is mainly upon Persian labour that reliance must be placed, but they have had no difficulty in obtaining 1,000 Arabs for work near Mohammerah.

In Ahwaz and elsewhere in Arabistan, Persian (Lur) labourers are plentiful and fairly satisfactory. Usual pay 2 kranas a day (9d.).

Dizful labour is above the average, as it includes many skilled cultivators.

Excavation is usually performed by basket and spade. The spade used locally is of a special long-handed type, but the experience of the Anglo-Persian Oil Company is that Lurs adapt themselves readily to the European pattern shovel and pick. The French scientific mission at Shush have had the same experience; they use light rails and trucks for removing spoil with good results, the Lur takes to them readily, long-handed spades are, however, much used.

Lurs, and also Arabs, work best in gangs under their own chiefs; unless some such arrangement is made, they are apt to get out of hand, but they are, on the whole, easily handled and amenable to mild discipline. Good bricklayers and masons are available in Dizful.

20. Gauge.

The gauge of Russian railways in the Caucasus (5 feet) would probably be chosen by the Russian Government for the north section of the Julfa-Mohammerah Railway,

and would presumably be accepted by us, as we could oppose no valid argument to its adoption. A metre-gauge railway would, however, probably suffice for all probable requirements of traffic for many years to come, and would be, on financial grounds, in every way preferable.

21. Gradients.

Practically flat the whole way, the hills at Nahr Hashim and south of Shush could be negotiated quite comfortably with 1 in 350 to 1 in 400.

22. Stations.

Mohammerah.—The terminus at Mohammerah would of course be carefully designed to admit of subsequent enlargement. The site I suggest is on the Shatt-el-Arab above the customs. It has a frontage directly opposite the accepted anchorage on the Shatt-el-Arab, from which it would be easy to throw out piers; the customs-house is close by.

Sab'eh.—A second station, or wayside halt at Sab'eh seems called for primarily in order to give facilities for water which can be obtained here from the Karun.

Nahr Hashim.—A station here would serve Hawizeh, and eventually, should irrigation be undertaken, the Nahr Hashim district. Water obtainable from Karkheh.

Dizful.—The station would be on west bank of Diz opposite town. The abandoned Government house on west bank of Diz (Kushk) might well be utilised in this connection. Provision for its occupation by the railway as storehouse, quarters for staff, &c., might be made in the concession. Water from Diz.

23. Fuel.

The Anglo-Persian Oil Company's refinery at Braim, 5 miles from Mohammerah, is conveniently situated to supply oil fuel in any quantity, and it will be unnecessary to import coal. The engines on the Russian section of the line will be doubtless fitted to burn oil, and it is fortunate that the southern section should be not less favourably situated in this respect.

In the Kuilab district, 48 miles off Dizful, there are certain pitch springs, indicating, possibly, the existence of oil in paying quantities. Were a railway through Luristan to be opened, it is possible that the Oil Company would bore for oil there, as also at Tang-i-Haleh near Madian Rud in Luristan.

24. Estimated Cost of Mohammerah-Dizful Section.

Sir William Willcocks has estimated the approximate cost of construction and equipping a railway of 4 ft. 8½ in. gauge in Arabistan at about 3,000l. a-mile. This corresponds closely with Mr. W. A. John's estimate (for Seistan railways) of 50,000 rupees a-mile for "surface line" 5 ft. 6 in. gauge. Taking the latter figure, the cost of this section would, via Aminieh, be 87,00,000 rupees. Sir William Willcocks quoted his figure as an outside estimate. The total cost inclusive of special works is estimated at 633,333l. (*vide* paragraph 18). For metre gauge the cost should not exceed 500,000l.

25. Local Traffic.

Dizful-Mohammerah.—Imports from Mohammerah and Amarah into Dizful are not large, probably not over 1,000 tons per annum. Exports are even smaller, owing to lack of communications. The existence of a railway would afford a stimulus to agriculture, and the exports of grain, reeds for pens, oil seeds, cotton, wool, gum, galls, &c., would rapidly increase and might reach a total of 10,000 tons by the end of the third year.

It is not probable that the railway, even were it to touch the Karun opposite Ahwaz, would be able to secure an appreciable proportion of the imports and exports which are now transported by steamer between Ahwaz and Mohammerah, and forwarded from Nasiri to Ispahan by mules.

It seems certain, therefore, that the river steamers will always be in a position on this river, so long as it is not utilised for irrigation, to compete successfully with the railway.

The necessity of transporting goods brought up by railway across the Karun to Nasiri from Aminieh, the railway station on the opposite bank, a process involving

double handling, would make shippers unwilling to use the line, particularly as the ocean going steamers can now unload straight into barges which are towed up to Nasiri without breaking bulk, and are passed through the customs there instead of at Mohammerah.

Other Local Traffic.—Hawizeh may be expected to give 200 to 300 tons imports and 1,000 to 1,500 exports; this figure would probably be doubled in three years after the railway was in working order.

26. Reason why Mohammerah and not Ahwaz should be Terminus of the Railway.

A brief note on this point seems necessary owing to the persistent public advocacy of Ahwaz as the terminus of this line by Mr. H. F. B. Lynch, who, as managing director of the Euphrates and Tigris Steam Navigation Company, presumably views with concern the possibility of competition by the railway between Ahwaz and Mohammerah with his steamers on the Karun.

The Ahwaz-Mohammerah line will be cheaper; the river boat service is slow, and uncertain, owing to shoals, dust-storms, &c. Landing facilities for cargo at Aminieh would be difficult, owing to shoals in river, which frequently changes its main channel. The river boat service, unless a very large increase of traffic took place, could not run more than two boats a-week; and goods and passengers would run the risk of waiting three or four days at Mohammerah, if not more. The interposition of a river steamer service would involve two, if not more, additional handlings of the goods, involving expense and risk of breakage which is a heavy item in this country.

27. Reasons why Shushter should not be touched by the Railway.

- (1.) It would add about 20 miles to the length of the railway.
- (2.) It would involve the construction of three large bridges on the Karun and its tributaries, and several minor ones, thus adding greatly to the cost of the line; the alignment via Shushter would, moreover, independently of the necessary bridges, be considerably more expensive per mile than that via Dizful.
- (3.) It would involve negotiations with the Bakhtiari Khans in respect of the Shushter-Dizful section, and with the Shushteris in regard to the Band-i-Kir-Shushter section; both are difficult to deal with, particularly the latter.
- (4.) Shushter is a decaying town, and would be so to a greater degree but for the fact that at present it serves as a depôt for Dizful. Its needs are sufficiently supplied by the steamer service on the Upper Karun. The town is, however, mentioned in the Shah's rescript referred to above, on the subject of railway concessions, and it appears in the British note to Persia on the subject.

28. Time required for Construction of Mohammerah-Dizful Railway.

Since construction could be started at half-a-dozen points without inconvenience (communication by river extending to within town of Dizful, close to the line of railway), the rate of construction will depend chiefly upon the amount of labour employed. There would seem no reason why the line should not be completed within two years from date of commencement of actual operations.

Labour is plentiful, work can go on all the year round, and as far as this section is concerned, practically nothing is needed but the simplest earthwork, and not much of that.

Any concession for such a railway from the Persian Government should include the right to run steam- or motor-boats and barges on the Diz and Upper Karun for the purpose of transporting material, &c.

29. Persian Gulf Terminus: Reasons why Mohammerah and not Khor Musa should be selected.*

The navigation of Khor Musa is not without danger, owing to the Ummul Siswan and Ummul Dibab rocks. It is destitute of fresh water, which could only be brought with great difficulty from near Fallahieh or Buzieh, 40 miles distant. The whole land for many miles round and inland is flooded twice daily at high tide, and farther

* The terms of our application of March 31, 1911, for a railway option were "for a port at Khor Musa and for a railway northwards as far as Khorremabad, with a branch to Mohammerah if found desirable."

north lie great marshes, impassable on foot for eight months in the year, extending half way to Ahwaz. No measures could ever make Khor Musa a habitable port, in my belief, and were the railway to be brought down to the coast at this spot, the vast proportion of goods traffic would still find an outlet from Mohammerah, the Karun River steamers being used between Mohammerah and Ahwaz and *vice versa*. It goes without saying that no passengers would ever want to go to Khor Musa, and receipts under this head would be negligible.

The climate of Mohammerah in summer leaves much to be desired, in spite of the amenities afforded by ice, fruit, and fresh vegetables in plenty; but that of Khor Musa is trying to a degree which only those who have visited it (as I have) on several occasions during the summer months, can realise. The muddy shore into which the feet sink ankle deep at every step, is impregnated with salt, and becomes so hot that no native can walk barefoot on it; and for a European thick boots alone can save him from acute discomfort. Stinging gnats and flies from the adjacent marshes swarm by night, and would make sleep impossible were it not for the fatigue caused by the long sweltering day. Hot winds blow by night as well as by day.

Every consideration, I submit, points to Mohammerah and not Khor Musa as the proper terminus, and I have worked on this assumption throughout. I quite realise, of course, that it is desirable for us to have a blocking option, irrespective of Khor Musa, for political and strategical reasons.

30. Position of Sheikh of Mohammerah in regard to Railway in Arabistan.

The Sheikh of Mohammerah may be expected, in view of his close relations with the British Government, to co-operate with the latter in any scheme proposed by them for a railway through his territories. As the chief of a hegemony of all the Arab tribes in Arabistan, and responsible for their attitude to the Persian Government, it is upon him that we must rely to maintain order and prevent tribal animosities from impeding the progress of operations; the experience of ten years shows that he will not fail to do so. But his position as landowner must also be borne in mind. He holds farmans granting to him, among other districts, that of Mohammerah, which extends up to the west bank of the Karun, to a point a few miles north of Sab'eh.

From this point to Shush, 15 miles south of Dizful, the proposed alignment passes through the following districts, all of which are claimed, under farmans of the Shah by the present Nizam-es-Saltaneh, nephew of the late Husain Kuli Khan, Nizam-es-Saltaneh, to whom they were originally granted. They are all leased to Sheikh Khaz'al:—

- (1.) Karun west bank.
- (2.) Kut Nahr Hashim.
- (3.) 'Anafijeh.
- (4.) Hussainabad.

It would probably be easy to obtain unirrigated land free of cost, and thus reduce the cost of acquisition of land to a small figure, as the railway would pass through irrigated land only at the terminus, Mohammerah, and near Dizful.

Were it decided to commence construction of this line the first step would be to conclude an agreement with the sheikh by which he undertook responsibility for the safety of the line, and granted the necessary land at a fixed price. The Nizam-es-Saltaneh might be left to put in his claim for compensation in respect of the cultivated lands or the lands intermittently cultivated which have been appropriated for the use of the railway and which he may claim as his own.

The lands in the neighbourhood of Shush belonging to the Nizam, have been leased to a Russian subject for twenty-five years, but he is not likely to be in a position to raise serious difficulties, and his lands could be avoided if necessary by keeping west of the Shaur till Shush was passed, or by keeping east of the Diz, crossing it again near Dizful.

31. Possible Tribal Opposition outside Sheikh's Territories.

I think it improbable that any serious opposition to the construction of the line, or of any serious attempt to interfere with it when constructed, would be experienced. A hundred armed men supplied by the sheikh would be ample to protect the camps from occasional raiding parties of trans-frontier Arabs, and the Persian Government could be induced to consent to the employment of pioneers from India, their double rôle of workmen and soldiers would stand them in good stead and probably greatly facilitate

rapid construction. Moreover, their position and duties as pioneers would conceal to a large extent their military rôle and enable their services to be utilised without causing great alarm to the Persian Government.

The presence of Lur tribes, mainly Sagwand, in the neighbourhood of Shush and Dizful might cause some slight difficulty, but these tribes take readily to manual labour, and the advent of the railway, with the consequent demand for unskilled labour, would be welcome to them. In any case, the support of their chiefs could be obtained without great expense.

32. Total Cost of Arabistan Section.

Adopting the Aminieh alignment for the purpose of my estimate, and assuming broad gauge to be desired, as elsewhere, I deduce the following estimate of cost:—

	Rupees.
174 miles "surface line," at 50,000 rupees a-mile	87,00,000
Special works—	
(1.) Mohammereh terminus wharf, &c.	6,50,000
(2.) Aminieh ferry service, wharves, tramway above rapids, &c. ..	1,00,000
(3.) Repairs of Dizful Bridge	50,000
Total	95,00,000
= 633,000 <i>l.</i> (3,640 <i>l.</i> a-mile).	

At metre gauge the total cost should not be over 500,000*l.*

Special works (2) and (3) require some explanation. If Nasiri is to be served by the railway, some provision must be made for a ferry service and proper landing places on either side of the river. Provision must also be made for a light tramway, or slidings, connecting the Aminieh station with some convenient point above the rapids whereby goods can be transferred direct to steamers on the Upper Karun.

The repairs of the Dizful bridge is a most necessary undertaking, in order to ensure traffic between the railway and the town being uninterrupted, and attended with less peril than is now the case, the centre span being unfenced and very rickety.

PART III.—DIZFUL-KHOREMABAD PORTION OF ALIGNMENT.

33. Alignment of the Railway through Luristan.

We must now consider the alignment of the railway through Luristan, it being assumed that Dizful is the point of departure in the south, and Burujird the objective in the north. The limits within which an alignment for a railway between these two places must be sought are, broadly speaking, the Dizful-Kiyalan Dalich-Khoremad-Zagheh-Burujird route to the east, and the Kal'eh Saidmarreh-Gulgul-Dureh-Khoremad-Bairarwand-Burujird route on the west.

There is a general consensus of opinion, with which I am in full agreement, that east of the Kiyalan route no practicable alignment even for a mule track can be found; the idea, which has been prominently mooted in the public press, of selecting an alignment via the Ab-i-Diz valley must therefore be dismissed at once as impracticable. Sir Henry Rawlinson (1844) writes of it from personal experience as follows:—

"From the Tang-i-Bahrain (south-east of Burujird) the Dizful River forces its way through a succession of chasms and gorges, and the track along its bank is utterly impracticable. Indeed, this part of the Zagros is so very precipitous that there is only one single pathway conducting across it from Dizful to Burujird; it is followed by nomads on foot; it is not to be traversed by a horseman, and is considered the most difficult of all mountain pathways. It breaks into the Sahra-i-Lur (north of Dizful) between the hill forts of Tangawan and Kal'eh-i-Shahi."

Major Bell (1884) and Major Sawyer (1889) (the latter surveyed much of the district) confirm these conclusions, as also does M. de Morgan (1891) from personal experience (p. 167, vol. ii).

On the other hand, the adoption of any alignment west of the Saidmarreh-Kuh-i-Dasht line would increase the length of the railway out of all proportion to any economy that might be secured thereby; and in any case I am satisfied that the Saidmarreh-Kuh-i-Dasht or else the Khasgan gorge route is the easiest that can be

found. Mention should perhaps be made of a possible route via the eastern branch of the Ab-i-Diz (through Baznawi), but even were this branch not put out of court by reason of its greater length, Major Sawyer's verdict is against it.

"The level river bed road, which is said to have passed through this gap, and traces of which may be seen at Baznawi, may be considered to have been an old world route before the more modern gap of Khoremad was brought into use. The latter is, perhaps, better suited for the demands of the immediate future; for though it has the comparative drawback of being on a higher level than the river course of the Ab-i-Burujird, for instance, the latter might, owing to its numerous gorges and precipitous banks, require greater initial expenses to receive a civilised road or rail."^{*}

This condemnation applies equally to both branches of the Diz above Dizful.

Acting upon these premises, I first of all examined the country east of the Kashgan with a view to finding a suitable alignment; dissatisfied with the result, which worked out, as will be seen later on, at over 12,000*l.* a-mile, for 184 miles, I proceeded to investigate the country west of the Kashgan River, and found a much better alignment, estimated at 185 miles at about 9,100*l.* a-mile.

34. The first "ruling point" which any alignment must necessarily touch is the Ab-i-Zal, where it traverses the plain of Kal'eh-i-Riza. This can be reached from Dizful via Kali-i-Nai or Kal'eh-i-Husainieh. The former route is shorter but more difficult; it traverses no great elevation, Kali-i-Nai (1,700 feet) being the highest point touched, but from Dukuh onwards for practically the whole of its length it crosses a succession of low ridges separated by ravines often from 50 to 100 feet deep, and a railway would involve alternate deep cuttings, lofty embankments, and bridges; the lengths of "surface" line being not more than 2 miles between Dukuh and the Raza plain.

I recommend the Kaleh-Husainieh alignment therefore, and will proceed to describe its general features.

35. First Section: Dizful (700 feet), Dukuh (900 feet), 12 miles.

A gentle rise of 20 to 30 feet per mile throughout, increasing slightly near Dukuh. For the first 6 miles, as far as Salihabad, undulating well-cultivated ground, cultivated in places. Numerous small irrigation canals near Salihabad. The formation is conglomerate, with a thin covering of soil or debris from the Bala Rud and Kuh-i-Tangawan. From Salihabad onwards the ground is stony, and the line suggested crosses many small watercourses, dry except immediately after rain, bringing down quantities of debris from the hills.

The best alignment, I should say, would pass the ancient tanks known as Do Hauzan, and would enter the low hills at Dukuh, about 3 miles east of the Bala Rud.

Cost.—This section may be classed, following Mr. John's estimate, as "easy line" at 90,000 rupees a-mile for 6 miles, "surface line" at 50,000 rupees for 6 miles; total, 840,000 rupees. Small culverts and revetments will frequently be necessary, ballast everywhere available; embankments will be expensive where necessary, as there is little soil, the ground being mainly boulders and gravel. Building stone is not available; bricks will be cheaper and easily available (of square tile shape) in Dizful.

36. Second Section: Dukuh (900 feet), to Kal'eh-i-Riza (1550 feet), 23 miles.

(Approximate along proposed Alignment.)

Major Bell (1884), *a propos* of cart-road construction, remarked of this section that "the amount of roadmaking to be done, zigzagging in and out of ravines, between a few miles south of Kal'eh-Husainieh (1,150 feet) and the Bidrubed plain will exceed that in any equal distance between Dizful and Khoremad."

Between these points the track winds its way amongst intricate hills, of no great elevation, composed of sandstones topped with a hard conglomerate in places; it constantly crosses ravines from 50 to 100 feet in depth. Without a detailed survey of this section it is impossible to suggest any particular alignment. I satisfied myself, however, by a bird's-eye view from Bard-i-Balleh and other points, that it cannot be

* "Reconnaissance in Bakhtiari Country, South-West Persia, 1891," Part I, p. 13.

circumvented. Three ravines about 100 feet deep are crossed, and about twenty smaller ones averaging 50 feet. From Bidrubeh onwards to Kal'eh Riza (3 miles) the alignment should present no difficulties; by keeping north of the present track, not far from the foot of the limestone hills to the north, there should be no difficulty in obtaining a good though costly alignment of, say, 1 in 75 to 1 in 100.

The Bala Rud must be bridged somewhere between Dukuh and Kal'eh-Husainieh. The average breadth of the ravine in which it runs is about 300 feet at bottom and about 60 feet deep.

The whole section will be a difficult and expensive one to survey and to construct. No great difficulty is to be anticipated in regard to the gradient, as the route rises steadily from Dukuh to Kal'eh-Husainieh (1,150 feet), with an average slope of 30 to 40 feet to the mile. No difficulty should be thus experienced in obtaining a gradient of 1 in 100, though heavy cutting and embanking, and bridges of some height, must be looked for throughout. By increasing the ruling gradient to 1 in 50 some saving would no doubt accrue, but it would convert the railway into a switchback, so narrow in section are the ridges to be traversed. I do not think tunnelling could be usefully resorted to at any point. Between Kal'eh-Husainieh (1,150 feet) and Kal'eh Riza (1,550 feet), 14 miles, the highest point that the railway would have to traverse is about 1,700 feet, 4 miles from Kal'eh Riza.

Cost.—Considering the section as a whole, I class it as follows:—

					Rupees.
Medium hilly:	10 miles at 1,25,000 rupees	..	..	..	12,50,000
Heavy ghat:	7 "	1,75,000	"	..	12,25,000
"	6 "	2,25,000	"	..	13,50,000
Total	..	..	..	..	38,25,000

37. Third Section: Kal'eh Riza (1,550 feet), to Ziarat Ahmad Kuchikeh (1,950 feet), 14 miles.

I select Ahmad Kuchikeh as the end of this section because it is a ruling point through which any alignment must pass, being the lowest point of a saddle formed by an extension of the slopes of the Kabir Kuh across the valley; the Saidmarreh River forces its way through the obstacle thus placed in its way by a deep gorge, the ravine being some 200 feet higher than the proposed alignment.

Between Kal'eh Riza and Pul-i-Tang (9 miles) two alternative alignments present themselves, the first keeps to the northern side of the Kal'eh Riza plain, crosses the Zal just below the point where it enters the plain, near an ancient (probably Sassanian) high level bridge or aqueduct, and keeps to the foot of the gypsum hills, crossing the Ab-i-Tirada and four large ravines till it debouches on to the gentle limestone slopes near Pul-i-Tang.

The advantages of this alignment are—

1. It does not descend below 1,350 feet;
2. It is probably 1 mile shorter than the alternative route;
3. It does not cross the Saidmarreh;
4. A gradient of 1 in 100 could in all probability be obtained, though at great cost.

Its disadvantages are—

1. Not less than six bridges of some size;
2. Heavy cutting for about 2 miles alternatively with heavy embankments;
3. Awkward curves round gypsum spurs;
4. Hills traversed between Tirada and Pul-i-Tang are gypsum, which is rapidly corroded by water, and which blasts badly, being of very unequal consistency.

The alternative alignment keeps to the south side of the Kal'eh Riza plain, crosses the Saidmarreh at 1,300 feet just below its junction with the Zal and Tirada streams; continues over the flat stony plain of Sieh Gilal, and recrosses the Saidmarreh at 9 miles near Pul-i-Tang (1,300 feet). This alignment has the following disadvantages:—

1. It reaches a level 50 feet lower than the first-mentioned line.
2. It involves two bridges across the Saidmarreh.
3. It involves a gradient of between 1 in 50 and 1 in 75 between Pul-i-Tang (1,300 feet) and Ziarat Ahmad Kuchikeh (1,950 feet), a rise of 450 feet having to be distributed over about 5 miles.

A 50-foot cutting through the gypsum at Ziarat Ahmad Kuchikeh will assist matters, and a slight increase in length can be arranged for, so as to diminish the slope, but the best that can be expected is 1 in 75. There will be no difficulty in keeping an even gradient from Pul-i-Tang to Ahmad Kuchikeh, as for the whole distance the line will cross gentle limestone slopes. Its advantages are:—

1. Cheapness. I think it will be found that the cost of the two bridges is amply compensated for by the lack of heavy works elsewhere.
2. Rapidity of construction. The heavy cuttings through the gypsum hills will take a long time, as also will the bridging of the ravine.

It will necessitate the following bridges:—

1. Across Saidmarreh below the Zal junction; steep but not precipitous. The river is here 150 feet to 200 feet broad; banks 60 feet to 80 feet high; bed rocky; depth unknown, probably not over 10 feet in summer; width from bank to bank about 450 feet.
2. Across Saidmarreh, near Pul-i-Tang. The river here flows through a deep gorge 6 feet to 10 feet broad at bottom, 12 feet to 20 feet at top, but no more than 8 feet broad in places; it is bridged by a single-span stone bridge; a bridge some 250 yards long would be necessary, but no spans need be longer than 20 feet.

Gradient.—From Kal'eh Riza to Saidmarreh 1 in 100 can be obtained without difficulty. From Saidmarreh to Pul-i-Tang level; from Pul-i-Tang to Ziarat Ahmad Kuchikeh 1 in 75.

Curvature.—Easy throughout.

Formation of Ground.—Riza plain: Stony alluvium.

Sieh Gilal: Stony alluvium.

Pul-i-Tang-Ahmad Kuchikeh: Gentle limestone slopes inclining 4° to south; no soil available; no large ravines to cross or other awkward features.

Cost.—I class this section as follows:—

					Rupees.
Medium hilly:	Riza to Pul-i-Tang, 9 miles at 1,25,000 rupees	..	..	..	11,25,000
Hilly:	Pul-i-Tang to Ahmad Kuchikeh, medium (on rock), 5 miles at 1,50,000 rupees	..	..	..	7,50,000
Bridge across Saidmarreh—					
(1.) Below Zal Junction	..	..	..	..	1,00,000
(2.) Near Pul-i-Tang	..	..	..	..	50,000
Total	..	..	..	..	20,25,000

Before passing on to the next section mention should be made of the great potentialities of the Pul-i-Tang gorge mentioned above for the generation of electric power on a large scale.

38. Fourth Section: Ahmad Kuchikeh (1,950 feet), to Ab-i-Fani (1,500 feet), 15 miles.

Ab-i-Fani may be taken as the next ruling point beyond Ahmad Kuchikeh; its height where it joins the Saidmarreh is 1,500 feet, where it issues from the gorge through Kiyalan Kuh 1,700 feet. The distance for railway purposes may be taken as 15 miles. From Ahmad Kuchikeh there is a steady descent down the Jauzar valley till at about 5 miles the Saidmarreh is reached at the point where it enters the long gorge, the south end of which is Pul-i-Tang, height here 1,400 feet; there is therefore a fall of 450 feet in 5 miles to be negotiated. If the line be taken along the limestone slopes between the Jauzar stream and the Saidmarreh gorge there will be no difficulty in giving an even gradient, and curvature will be easy, but it will be difficult to get a gradient much better than 1 in 60; 1 in 100 could be attained, but at considerable expense, by following the outlines of the foot hills of Kiyalan Kuh, only touching the 1,400 feet level near the Lailum stream, but the curves will be awkward, the length of line probably 1 mile at least greater, and the work difficult and expensive. As 1 in 50 will be unavoidable in subsequent sections, I propose the former alignment; it passes over gentle limestone slopes with no difficult features such as spurs or ravines.

The next 5 miles to the Ab-i-Lailum lie along the Saidmarreh valley, near the river. The Lailum stream can be crossed half-a-mile above its junction with the river. Height of the stream here 1,500 feet, banks 50 feet higher; width from bank to bank

300 feet; fordable; rocky bottom; width of stream average 200 feet; water slightly bitter, not over 1 ft. 6 in. deep in summer.

From Lailum to the Fani stream, 5 miles, the best alignment seems to be close to the river; easy throughout, except at 15 miles, where there is an awkward sput abutting on the Saidmarreh: it would involve heavy cutting.

As regards cost, I think this section may fairly be classed as follows:—

	Rupees.
Easy: 5 miles at 1,25,000 rupees	6,25,000
Medium hilly in rock: 8 miles at 1,50,000 rupees	12,00,000
Heavy ghat line: 2 miles at 1,75,000 rupees.. .. .	3,50,000
Total	21,75,000

39. We have now reached the point where the alignments respectively east and west of the Kashgan River, commence to diverge.

I went over the eastern alignment via Dalich and Dadabad with care, surveying it throughout. As, however, I rejected it in favour of a line along or west of the Kashgan, it seems unnecessary to trouble Government with a detailed description of it.* I will therefore confine myself to an abstract of the length and cost of this line, as estimated by me:—

	Miles.	Rupees.
Total sections 1 to 4	64	88,65,000
Section 5.—Ab-i-Fanti Chul	21	34,75,000
“ 6.—Chul-foot of Dalich	26	55,00,000
“ 7.—Ab-i-Sard Chimashk	17	29,50,000
“ 8.—Chimashk	15	22,75,000
“ 9.—Dadabad-Khoremad	40	73,00,000
Total	184	3,34,65,000

= 2,231,000*l.* (average over 12,000*l.* a-mile).

Railway gradient 1 in 50. Curvature difficult: 200 yards radius the best that can be hoped for in many places.

40. The Madian Rud Alignment, West of the Kashgan.

I will now proceed to describe the alternative alignment west of the Kashgan River, to which I turned my attention as soon as I had reached Khoremad by the route described above. It diverges from the alignment first described at the end of the fourth section, the totals up to this point being 64 miles, costing 88,65,000 rupees.

Before describing this section, I may remark that a gorge line up the Kashgan to Durh is probably practicable, but I have not been able to go fully into the question as the Kashgan was not fordable, and the track which runs up the Kashgan valley crosses the river constantly. An alignment up the gorge, as far as I can make out, after examining it for 6 miles above Pul-i-Kurr to Dukhtar, and at Tang-i-Tir, and near Pul-i-Kalhur would be a very expensive gorge line, with fifteen or twenty bridges of 100 feet or so each over the Kashgan. We may estimate the cost at 3 lakhs a mile for 60 miles = 180 lakhs. This compares rather unfavourably with the Culgul Madian Rud alignment described below, but the possibility is well worth careful examination when the time comes. This alignment is dealt with in paragraph 46.

41. Fifth Section: Ab-i-Fani (1,400 feet), to Mouth of Tung-i-Khiradarr (2,100 feet), 20 miles. (Approximately by Alignment along Saidmarreh and Kashgan Rivers to Jaidar.)

This will be a difficult and expensive section: gradient on the average easy, not more than 1 in 75. The line would follow the general line of the Saidmarreh River to where it is joined by the Kashgan, below Pul Gamishan; thence up the Kashgan valley to the mouth of the Tang-i-Khirsadarr, within which lies the ruins of a splendid Sassanian bridge, known as the Pul Kurr o Dukhtar or Pul Shapur. I think I shall

* The detailed notes of this alignment are on record in the Bushire residency.

be within the mark if I class it as “heavy ghat” at 1½ lakhs of rupees a-mile for 20 miles.

	Rupees.
Total for section 5 (20 miles)	35,00,000
Grand total (84 miles)	1,23,65,000

42. Sixth Section: Mouth of Tang-i-Khirsadarr (2,100 feet), to top of Tang-i-Millehdar, on Rumishgan Plain (4,100 feet), 19 miles.

This will be the most difficult piece on this alignment, for it is here that we ascend on to the Luristan plateau, a rise of 2,000 feet in 19 miles.

The Tang-i-Khirsadarr is accessible from the south, it may be noted, only on foot, unless the Kashgan is fordable.

There is a possibility that the alignment for a metre-gauge railway would be easier up the Tang-i-Khirsadarr and the Pam Paris valley than via Millehdar, as now described.

I have submitted a separate report regarding the suitability of the former alignment for a cart road.

The alignment, I suggest, runs along the slopes of Kuh Maleh, rising steadily on a gradient of about 1 in 50. This hill is a saddle back; slope of rock on southern side 15 to 20 degrees; formation very hard limestone; face of hill but little furrowed by water-courses, and contour lines very straight. The track will have to be made by blasting and revetting the whole way.

I shall, I hope, be on the safe side in allowing 2 lakhs a-mile for this section.

	Rupees.
Total for section 6 (19 miles)	38,00,000
Add for Kashgan bridge.. .. .	2,00,000
Total	40,00,000
Grand total (103 miles)	1,61,65,000

43. Seventh Section: Top of Tung Millehdar to Kuh-i-Dasht Plain.

This section traverses four low ranges of hills; the first range Daghilleh-Sidann is pierced by the Yang Jangir, through which the alignment proposed passes; the second range Madian Kuh is skirted to the east, and crossed at its lowest point about 4,500 feet. The third range K. Astan-Kalkhani is similarly circumvented at about 5,000 feet. The fourth range is pierced by the Tang Haleh and by the Madian Rud (4,150 feet at the bridge); but it will probably be cheaper to take the line via Gulgul, and pierce the fourth range by a tunnel of ½ mile at the north end of the Kuh Dasht plain near Chasmeh Kamir; the height of the range here is 4,700 feet, that of the spring about 4,500 feet.

There is no use my suggesting any particular alignment: several alternatives readily suggest themselves to anyone on the spot. I estimate the distance that would have to be covered by the line in order to reach the south edge of the Kuh-i-Dasht plain at 20 miles of which 10 miles easy at 75,000 a-mile and 10 miles at 1½ lakhs, as a good deal of blasting will be required.

	Rupees.
10 miles	7,50,000
10 “	15,00,000
Total for section 7 (20 miles)	22,50,000
Grand total (123 miles)	1,83,15,000

44. Eighth Section: Kuh-i-Dasht Plain (4,500 feet), to Kashgan (3,650 feet), 35 miles.

In this section we have to traverse or circumvent the Kuh-i-Guraz range, 6,000 feet high. It has a breadth of over 4 miles, and tunnelling is scarcely practicable; it can, however, be circumvented to a large extent by skirting it eastward towards the Kashgan. This involves a rise to about 5,800 feet, and thence a steady fall can be provided to the Kashgan, which would be crossed probably not far from the bridge at 3,690 feet. The anarchical conditions prevailing prevented me from examining the whole of the alignment, but I am satisfied that it is practicable.

Distance.—Difficult to estimate, as owing to haze I was unable to triangulate satisfactorily.

Across Kuh-i-Dasht Plain, 8 miles; rising from 4,300 feet to 4,700 feet skirting south slopes Kuh-i-Guraz to east to near Kashgan 12 miles; from 4,700 feet to 5,000 feet, and thence, downwards, round east end of Kuh-i-Guraz to near Tang-i-Tir, 8 miles, and another 7 miles to some point near Pul-i-Kashgan; total 35 miles.

Cost.—The first 8 miles may be classed as "easy" at 75,000 rupees a-mile; the remaining 27 may be put down at not less than 1½ lakhs a mile:—

	Rupees.
8 miles at 75,000 rupees	6,00,000
17 miles at 1½ lakhs	40,50,000
Bridge across Kashgan (say)	1,50,000
Grand total for 158 miles	2,31,15,000

The last 15 miles are along rocky slopes mainly of fairly stiff shale, but with a good deal of very hard limestone in places, and heavy cuttings through the smaller spurs. It should be possible to adopt a gradient not steeper than 1 in 75.

45. Ninth Section: Kashgan (3,650 feet), to Khoremad (4,400 feet), 27 miles.

The alignment would follow the Kashgan River to its junction with the Ab-i-Khoremad, and then follow the general trend of the latter stream to the town. Various alternatives will doubtless suggest themselves when a proper survey is made, but the general alignment will remain the same. This section will present no difficulty; the last 10 miles would be "surface" line, were it not for the numerous small bridges and culverts that will have to be constructed, and a slight embankment will be necessary to keep the slope even from terrace to terrace. The first 17 miles will be difficult to align, but should not be very expensive to construct, the hills being mainly of alluvium or shale with a little limestone. Gradient easy throughout—

	Rupees.
17 miles	21,25,000
10 "	2,50,000
Total for 27 miles	23,75,000

Grand total, 2,54,90,000 rupees for 185 miles (say 1,700,000*l.*, or 9,100*l.* a-mile).

46. The Kashgan Gorge Alignment (vide paragraph 40).

I will now turn to another alignment, up the gorge of the Kashgan River from its entrance to the Jaidar Plain at Pul-i-Kurr o Dukhtar to its exit from the Khoremad Plain at Tang-i-Tir about 40 miles north.

I had contemplated traversing this gorge or valley from end to end; unfortunately, however, owing to the unprecedented snow of this year, and a late season, the river was in full flood and quite unfordable. As the track up the valley crosses the river thirty or forty times it was impossible for me to get up the gorge, and I had to content myself by seeing what I could of it at intervals.

The river winds amongst steep hills, generally ending in cliffs abutting on the bed; a big bend occurs about every 2 miles, when the river will be running on one bank or the other up against a cliff; it is then necessary to cross to the other bank which is usually flat terrace; there is no clear view of the valley for more than three or four miles, and at several points the cliffs on both sides run down to the water, leaving only a difficult mule track which is covered when the river is in flood. At such points heavy rock cutting, revetting, and tunnelling will be necessary. The river must be constantly crossed, involving numerous bridges. The average breadth of the river when it is not spread over the gravels, or divided into several branches, is about 200 feet: 300 feet would have to be provided as a rule, from abutment to abutment to provide for flood water. The river is liable to heavy floods, a rise of 15 feet being not unknown; the bed uniformly gravelly; no reefs or falls as far as I know. The valley is narrow, but there is always a fairly wide stretch of river terraces on one bank or the other.

Difficult as the construction of a railway up such a valley would be, the alignment is a not unattractive one. It would be possible to have an almost even slope from the Saidmarreh to Khoremad, and the ruling gradient would probably not exceed 1 in

100 at any point. Steel trestle bridges of stock size might be used to cross the stream, and would, if I may presume to offer an opinion on such a technical point, be well suited to the country and conditions of labour and construction.

47. To estimate the cost of this gorge line, the length of which, from Tang-i-Tir to Pul-i-Kurr o Dukhtar, may be taken at 40 miles, is of course quite beyond me, even had I been able to traverse it from end to end. I am assured, however, on the authority of the Sardar Akram and others, the general accuracy of whose statements I have been able to check, that a mule track exists right up the gorge, and that at no point does it contract to such an extent as to form an impassable canyon.

Allowing 3 lakhs a-mile for the line, including bridges, and 25 lakhs for special tunnelling (which would seem, all things considered, to be a liberal allowance) for the northern and southern ends of this valley, which I have traversed, and the centre, which I have seen from a short distance, offer no formidable obstacles to railway construction, we obtain a total of 180 lakhs. The total cost of this alignment would thus be as follows:—

	Rupees.
Sections 1 to 5, 84 miles at 65,000 rupees	1,23,65,000
Kashgan gorge, 40 miles	1,45,00,000
Tang-i-Tir Khoremad, 16 miles	12,00,000
Grand total for 120 miles	2,80,65,000
(= 1,871,000 <i>l.</i> , or 15,600 <i>l.</i> a-mile.)	

48. The difference between the cost of this alignment and that via Madian is 171,000*l.*, according to this estimate, which is a mere guess; the saving of length is no less than 65 miles, about one quarter of the distance between Dizful and Burujird; the absence of steep gradients is an added advantage.

Had I seen any chance of being able to examine this valley more closely, I would have waited for another month or two in order to do so, but the Sardar Akram, who alone could arrange for my safe conduct along this line, left for the Kermanshah district to revenge the murder of a friend of his, by plundering the guilty tribe, and simultaneously hostilities commenced between the Bairanwand and the Governor-General, making any further stay in the neighbourhood out of the question.

I think it not improbable that this alignment may turn out very little more, perhaps less, expensive than that via Kuh-i-Dasht, and I would recommend that any engineer expert who may subsequently be deputed to prepare authoritative estimates and effect a regular and detailed survey of an alignment should first examine the Kashgan gorge; in order to do so, he must make his survey between June and November (the floods this year being quite abnormal), and must arrange with the Sardar Akram (whose head-quarters are at Tarhan), to provide the necessary escort which he will, no doubt, gladly do. In any case the saving in length by this route may be considered to justify some extra expenditure.

PART IV.—POSSIBLE EXTENSIONS OF ALIGNMENT FROM KHOREMABAD NORTHWARDS.

49. Possible Prolongation of Line from Khoremad onwards.

The easiest prolongation would undoubtedly be towards Kermanshah, distant rather more than 100 miles; the country traversed is well fitted for a railway alignment which would run parallel to the mountain ranges which run in a north-north-west direction throughout Luristan. But such prolongation would be of little use towards developing British trade in Central Persia, and I assume that the prolongation contemplated is to Burujird and thence to Tehran via Hamadan or via Sultanabad and Kum.

The boundary between the Russian sphere of influence and the neutral zone in this region is "a line starting from Kasr-i-Shirin, passing through Ispahan. . . ." Kermanshah and Burujird are thus included in the region in which Great Britain engaged not to seek concessions "for railways, land, telegraphs, road, transport, insurance, &c.," though all concessions which existed in the region in question on the 31st August, 1907, are maintained.

The boundary line is roughly equidistant between Khoremad and Burujird. A prolongation by rail or motor beyond Khoremad would presumably be possible only with the consent of the Russian Government, who, it has been suggested, are likely eventually to view the project with hostility. Without such a prolongation, at all events as far as Burujird, the utility of the line would be greatly impaired, and the volume of exports in particular would be of quite insignificant proportions.

Khoremad is a very bad distributing centre; the local market is negligible; the surrounding country disturbed; traffic on the main road to Burujird greatly impeded by snow in winter; and I feel convinced that any attempt to make the town into a railway terminus will be doomed to failure, and trade will stick to the route via Bagdad, in which town are many wholesale dealers from whom small buyers can order direct.

The only practical alignment between Khoremad and Burujird is that via Zagheh, which I will now proceed to describe in detail.

50. First Section: Khoremad to Foot of Zagheh Pass (6,300 feet), 21 miles.

A steady climb along a stream which runs from the foot of the Zagheh pass all the way to Khoremad. A gradient of 1 in 50 is the best that can be obtained, and it is possible that at one or two points 1 in 40 may be necessary for short distances. There is little heavy blasting, but for the first 10 miles there will be about 3 miles of blasting on the side of the hills, which are composed of limestone strata, covered in places by alluvial gravels and clay. The passage of the Tang-i-Zaideh Shir will involve some heavy cutting or embanking in order to reduce the gradient, so also will the ascent from the Tajareh to the Deh Safid plain. The Darreh Daraz valley once entered, the gradient becomes easier, and the line will be cheaper to construct; it would no doubt skirt the north side of the valley, rising steadily as far as is compatible with the maintenance of the ruling gradient. I estimate the cost at $1\frac{1}{2}$ lakhs a mile = $3\frac{1}{2}$ lakhs.

51. Zagheh Tunnel.

The Zagheh pass (7,200 feet) now confronts us; apart from the practical difficulty of carrying a railway up its steep rocky slopes and over its narrow crest, such a course would involve a long detour. There is no way of circumventing the range, and I think there is no doubt but that it must be tunnelled; from 5,600 feet on the south-western to 6,500 feet on the northern side is, as nearly as I can judge, $1\frac{1}{2}$ miles through limestone rock; water is plentiful. I have no means of estimating the cost with any approach to accuracy, but for the purposes of this report it may be put down at 50 lakhs.

52. Second Section: Across the Hu-Rud Valley from near Zagheh (6,500 feet), to above Rang-i-Razan (6,800 feet), 15 miles.

From Zagheh the alignment winds down the valley of the Zagheh stream till it can turn north-east and skirt the south side of the Rud valley, crossing the stream at about 6,000 feet. It would then turn north-west and approach Rang-i-Razan village, 6,580 feet, then circle round the village and skirt the slopes of Ruh Chavireh Shah in a west-south-westerly direction, rising steadily to about 6,800 feet, when the hill narrows sufficiently to make a tunnel, in all probability, economical. There is no break in the Chavireh Shah range, which the Zagheh-Razan road crosses at 7,200 feet, and the descent on the northern side to the Silakhor plain will be much more difficult from 7,200 feet than from 6,700 feet, the height at which I propose the northern exit of the tunnel should be fixed.

I estimate this section to be 15 miles long, costing $1\frac{1}{2}$ lakhs a mile = $18\frac{1}{2}$ lakhs.

53. Razan Tunnel.

I estimate this to be 2,000 yards long; formation limestone rock; water plentiful. It might enter the hill on the south side at 6,800 feet, and emerge at 6,700 feet into the Razan valley. Cost may be put down at 30 lakhs. I see no way of dispensing with it; the pass cannot be avoided, and if the railway be carried over it to 7,200 feet, the drop of 1,500 feet to the Silakhor valley will be prohibitively steep.

54. Third Section: Razan (6,700 feet), Head of Tunnel to Silakhor Plain (5,700 feet), 10 miles.

If the mouth on the Razan side be fixed at 6,700 feet, the drop will be 1,000 feet. The actual distance between the mouth of the tunnel and the foot of the hills being less than 5 miles.

The sides of the Razan valley are, on the whole, of a conformation favourable to the construction of a railway along them, but whether the east or west side of the valley should be selected, is a point which can be settled after a careful survey.

My impression is that it will be best to take the line into the Azizabad valley, and thence skirt the hills bounding the Silakhor plain to the west, descending steadily on a gradient of 1 in 50 till the plain is reached at approximately 5,700 feet.

This section will call for most careful surveys, and a high degree of engineering skill. Blasting will be necessary almost all the way, and numerous bridges across ravines will be called for in addition to many culverts. I think 3 lakhs a mile would be fair estimate of cost, giving a total for this section of 30 lakhs.

55. Fourth Section: Up Silakhor Valley from near Chulan Chalan to Burujird (5,700 to 5,900 feet), 20 miles.

It will probably be found convenient to follow the main road crossing the river near Chulan Chalan, and keep to the eastern side of the valley. The river bed is about 100 yards wide; breadth of stream nominally 40 yards; depth in summer and autumn $3\frac{1}{2}$ to $\frac{1}{2}$ feet; unfordable in spring; pebbly bottom. Plain is fairly level, and not irrigated from river, but by canals or "kanats" from hill side; many villages scattered over the plain, nearly all (in 1911) deserted owing to the depredation of Lur tribesmen.

There would be a certain amount of embanking and a little cutting necessary if the line keeps to the eastern side of the valley, and it would be well to allow $\frac{3}{4}$ lakhs a mile for this section, in addition to which we must allow a lakh for the bridge. Total 16 lakhs.

56. Abstract: Khoremad to Burujird.

	Miles.	Rupees.
Section 1	21	31,50,000
Zagheh Tunnel	$1\frac{1}{2}$	50,00,000
Section 2	15	18,75,000
Razan Tunnel	1	30,00,000
Section 3	10	30,00,000
Section 4	20	16,00,000
Total	88 $\frac{1}{2}$	1,76,25,000

(= 1,175,000*l.*, or about 13,450*l.* a-mile.)

The cost of this section per mile is thus very nearly double that of the Moham-merah-Khoremad section.

57. I was prevented both by my instructions and by the fact that hostilities between the Governor-General and the Bairanwand tribe were in active progress, from making a survey of the country traversed by this section; but this does not, I think, affect my conclusions in any way, as we are fortunately in possession of a careful survey of this particular portion of Luristan, made in 1889 by Yusuf Sharif under the superintendence of Major Sawyer, I.A. My observations have tended to substantiate its accuracy and general reliability.

58. Burujird occupies strategically and commercially a very important position at the head of a wide fertile valley, on the edge of the central Persian plateau. From its gates good roads, easily adaptable to wheels or rails, diverge in every direction, tapping the fertile districts of Silakhor Bala, Nihawand, Malayir, Kazzaz, and Irak.

From Burujird to—	Miles Approximately.
Kangavar	70
Kermanshah	126
Hamadan	70
Tehran	270
Ispahan	210
Kum	160
Kasvin	150
Euzeli	388

59. A Burujird-Kangavar railway could be constructed at an average cost of about 5,000L. a-mile for 80 miles, say 800,000L.; it would connect with the Bagdad-Kermanshah-Hamadan-Tehran line. The ruling gradient would be about 1 in 150. It would pass for the whole of its length through thickly populated highly cultivated country,* and would be a most efficient feeder line. A cart-road with a ruling gradient of 1 in 25 could be built along the same alignment for about 3,000L., the principal expense being caravanserais (six), bridges, and culverts.

60. *Potentialities of the Burujird District.*

Minerals.—I obtained information regarding several mines reported to exist near Burujird. Gold was said to be found in one mine, and I was given a sample of the same,† which I believe, however, to be simply micaceous sand. Lead ore was said to be found in remunerative quantities, 5 farsakhs distant, the ore yields 25 per cent. of metal; the sample I was shown seemed of very good quality.† I was told at Nihawand that a European mining expert had said that the hills of this town contained good grade copper ore, but I had no opportunity of confirming this. I was told of a place west of Burujird, called Fial, where good quality coal-beds were exposed; the sample shown me was bituminous; it burnt well, but has, I should say, no commercial value.

I was told that petroleum oil was found in the locality, and had been collected and burnt in lamps.

Geologically, the distinguishing feature of the country immediately north and north-west of Burujird is that the limestone formation gives place to much contorted finely laminated shales, extensively mixed with veins of intrusive rocks; the formation would thus seem to be very favourable to the existence of metalliferous ores.

At Khorramabad I was shown specimen of bituminous coal from the Papi country east of that town, of iron pyrites from the same locality, and of copper sulphate (zak or zagh), but these minerals occur apparently in small quantities only on the surface, and only the last-named (which is used for dyeing) is worked at all.

Agricultural Produce.—Cereals: Mainly consumed locally, or exported to other parts of Persia.

Opium: Mainly consumed in Persia; some 30,000L. exported.

Gums, dried fruits (raisins, &c.): Steady export to Russia, which would be diverted to south by railway.

Cotton, wool: Steady export to Russia, which would be diverted to south by railway.

PART V.—*Possible Alignment for a Cart-road from Dizful to Burujird.*

61. I have in the previous pages suggested the possibility of a cart-road between Dizful and Burujird being preferable to a railway. For such a cart-road the Persian Transport Company holds a concession, which will expire in May 1913, unless the road is opened before that date. The one formidable obstacle which prevents it being built at once is the prevailing anarchy in Luristan; the Amir Mufakham has, however, made a determined effort to open the road, I have little doubt that the fact of the road, being in existence, and the pressure that we could exert on the Persian Government to keep it open, would ensure eventual success. I have submitted a separate report on this subject, and will confine myself here to state briefly the alignment which I propose.

62. From Dizful to Jaidar the road would follow the general alignment proposed for the railway, caravanserais being erected at the marginally noted spots.† From the Jaidar Plain through the Tang-i-Khirs-darr across the Kashgan to Pul, Maidan Rud, this is the main ascent of the route, and the most expensive section, as the Kashgan must be bridged, and an entrance to the gorge blasted. I went over this route and found it well suited for a cart track, the gradients being generally moderate (1 in 25), and the expense of grading the steep portions small. From Madian Rud to Khorramabad via Chinara, Bardaghul, Dureh, and Naikash; this section was considered by Major Burton to be fit in its present condition for wheeled artillery, and it could certainly be converted into a cart-road at moderate expense. Caravanserais necessary

* Silakhor Bala, Nihavand, and Kermanshah districts.

† Deposited in the Bushire residency.

‡ Kal'eh Husiniyeh, Kal'eh Riza, Jaozar, Ab-i-Fani, Jaidar.

at Ali Gijan, Madian Rud Chinara, Bardaghul, Dureh, and Changai would again have to be rebridged near Dureh and the Khorramabad river below the town. From Khorramabad to Burujird via Zagheh and Razan is always practicable for wheels, and little expense would be incurred except on the section between Razan and the Silakhor valley.

This route is about 220 miles long, and I have divided it into thirteen stages; it is said to have been used in past times by Persian artillery; it was traversed by De Bode 1835 and Schindler 1889, and was undoubtedly a main artery of trade in Sassanian times, witness the great bridge of Pul-i-Kurr o Dukhtar in the Tang-i-Khirs-darr.

I am satisfied it is the shortest practicable cart-road. The experience of the road company in South Persia is, I believe, that it does not pay to carry merchandise in carts as a rule, pack animals being cheaper. It is possible therefore that a 183 miles pack mule road from Dizful to Burujird in the Kiyalan would be of greater assistance to our trade than a 217 mile cart track, which involves greater expense and a larger staff along the road; but it may be held also that under the concession the construction of a cart-road is obligatory, the phrase "route chaussée" being used in the title, though nowhere else, according to the English translation in my possession.

It should also be borne in mind that where ordinary carts might not pay, motor traffic would perhaps do so; the employment of a Renard train has recently been advocated on the Bundar Abbas-Kerman road for instance.

Further that the transport company has hitherto found itself quite unable to arrange for a sufficient supply of mules on the road in which they are interested; a mule road, unless well organised, would not serve the purpose of distributing British goods into the present Russian zone, which is served by a well-organised cart-road from Rasht to Hamadan.

List of Photographs.

(From De Morgan's "Mission scientifique en Perse: Études géographiques," vol. ii.)

[The breakdown of the panorama camera which I carried unfortunately prevented my taking any views myself.]

No.	Description.
1	Saidmarreh Valley, view taken west of Jaidar.
2	Kabir Kuh from the Saidmarreh Valley.
3	Pul-i-Tang, across Saidmarreh River.
4	Kuh-i-Dasht plain.
5	Kuh-i-Taf or Chinara.
6	Sarab-i-Naikash, west of Khorramabad, looking north.
7	Kashgan Valley.
8	Kashgan bridge.
9	Yafteh Kuh.
10	Khorramabad.
11	Khorramabad.
12	Burujird.

[32959]

No. 334.

Lieutenant-Colonel Cox to Sir Edward Grey.—(Received August 21.)

(No. 8. Commercial. Confidential.)

Sir,

Bushire, July 27, 1911.

WITH reference to my despatch No. 1, Commercial, of the 26th February, 1911, I have the honour to forward a copy of a communication, with enclosure, which I have addressed to His Majesty's Minister, Tehran, on the subject of the proposed opening of the Luristan road.

I have, &c.

P. Z. COX,

Political Resident in the Persian Gulf and His Majesty's
Consul-General for Fars, &c.

Enclosure 1 in No. 334.

Lieutenant-Colonel Cox to Sir G. Barclay.

Sir,

Bushire, July 27, 1911.

I HAVE the honour to refer to my letter of the 25th July, 1911, forwarding a copy of Lieutenant Wilson's report on the projected Mohammerah-Khoremad Railway.

2. In that report the possibility of a cart-road being constructed from Dizful to Khoremad and Burujird is incidentally touched upon in some detail, being intimately bound up with the question of railway construction. No mention is, however, made of the possibility of opening up a caravan route through Luristan, to report on which was one of the objects of his deputation (*vide* paragraph 11 of the enclosure to my letter of the 2nd October, 1910).

The report, which I enclose herewith, deals with this question as far as possible on its own merits, as a proposition deserving of consideration independently of the construction of a railway line.

3. The present position in regard to this matter may be summarised as follows:—

The Persian Transport Company's concession for the Arabistan-Luristan road expires next year; they have applied to the Persian Government for a ten years' extension of their concession, until 24th August, 1922, as an ordinary matter of business, without the intervention of His Majesty's Legation. This extension has not yet been granted, but Messrs. Lynch Brothers have still great hopes of obtaining it. The Russian Government has no objection to such an extension, on the understanding that the concession relates only to carriage-roads and contains nothing which could enable the company to claim the right to construct railways. There seems good reason to hope that the extension desired will ultimately be conceded, in which case there will be nothing to prevent the company from setting to work on the road, should they desire to do so, except the anarchical conditions which still obtain in Luristan.

Lieutenant Wilson points out that the *tracé* of the caravan route does not correspond, for some 70 miles of its length out of 220 from Dizful to Burujird, with that of the proposed cart-road, and that the company is likely to be unwilling to incur expenses in making such a road, building serais, &c., if there is a prospect of its being replaced within a few years by a cart-road along another route, or by a railway; he expresses the belief that the company will probably be disinclined to take active measures in the matter until some decision has been come to with regard to the construction of the railway in regard to which they claim preferential treatment.

He urges, however, that they should lose no time in sending an engineer over both the caravan and cart-road alignments, in order that they may be placed in possession of reliable estimates of cost, &c.

Mr. B. Sotham, an engineer in the company's service, went to Burujird with, I understand, this object in view in June of this year, but returned to Tehran without accomplishing anything, considering the country too disturbed to allow of his travelling to Khoremad. As the company were at that moment engaged in negotiations with the Persian Government for an extension, on the grounds that the country had been, and still was, too disturbed to enable them to initiate operations, it is possible that Mr. Sotham's visit and return was rather in the nature of a demonstration of the correctness of their contention than a serious attempt to travel over the road.

There seems reason to hope, however, from Lieutenant Wilson's report that conditions may be more favourable this autumn, and it is to be hoped that, should this turn out to be the case, the company will not fail to avail themselves of the opportunity afforded them.

I concur with Lieutenant Wilson in hoping that the proposed transfer of the "Malamir" subsidy to the Luristan road will receive favourable consideration at the hands of His Majesty's Government in this connection.

I have forwarded a copy of this despatch to His Majesty's Foreign Office and to the Government of India.

I have, &c.

P. Z. COX,

*Political Resident in the Persian Gulf and His Majesty's
Consul-General for Fars, &c.*

Enclosure 2 in No. 334.

Lieutenant Wilson to Lieutenant-Colonel Cox.

Sir,

Bushire, July 27, 1911.

I HAVE the honour to address you on the subject of the opening of the Luristan road, for which the Persian Transport Company hold a concession.

2. The question has assumed fresh importance during the year owing to (1) the approaching expiry of the period in which the company was obliged, on pain of cancellation of the concession, to complete the road; (2) the entry into the region of practical politics of a Mohammerah-Khoremad railway; (3) the energetic action taken by the Bakhtiari Governor-General of Luristan, the Amir Mufakham, to restore order in Luristan.

3. It seems desirable, therefore, that I should recapitulate briefly the main facts regarding the caravan route. Cart-road possibilities have already been discussed in my report on the proposed Arabistan-Luristan railway. The route which should be adopted for a caravan track from Dizful to Khoremad is undoubtedly that via the Kiyalan pass, and onwards to Burujird via Zagheh. It is this route which commended itself to the common sense of previous road-makers, and was recommended by Captain Lorimer when His Majesty's vice-consul for Arabistan. The distance from Dizful to Khoremad by this route is approximately 124 miles, in eight stages, as follows:—

Kal'eh Husainiyeh.
Kal'eh Riza.
Birinjar.
Sargul.
Mishwand.
Kal'eh Nasir.
Chimashk.
Shahin Shah.
Khoremad.

Serais are in existence and are in good repair at Chimashk and Shahin Shah, and in fair order at Kal'eh Nasir and Kal'eh Riza, leaving four new ones to be erected by the company. The road is already practicable for loaded mules, and no great outlay would be necessary to put it into very fair order. No large bridges are necessary, but three or four small ones are needed, which can be built at small expense by local labour of local material.

4. The Amir Mufakham, Governor-General of Luristan, has assured me of his desire to see the road opened by us, and of his readiness to assist us, provided that he receives definite and categorical orders on the subject from the central Government.

His active measures to restore order in his province, and the success that has up to now attended his efforts, give every reason to hope that he will soon be in a position to make good his promises.

The best possible guarantee that he will bestir himself, and the best chance of his giving effect to the scheme, will be afforded by the deputation to Luristan of an engineer by the Persian Transport Company, empowered to negotiate and provided with the necessary orders from the central Government to the Governor-General. A competent engineer once on the spot, difficulties will vanish in the face of a determined effort to get the thing done, an effort which the company have yet to make.

5. At the same time, it cannot be denied that the Persian Transport Company have more reason at the present moment than, perhaps, at any previous time to hesitate before embarking on this enterprise. They have not as yet obtained an extension of their concession, though, were they to start work promptly, they might still get the road into working order before the 22nd August, 1912. For 70 miles or so the caravan track does not correspond with the proposed cart-track alignment, which diverges between Kal'eh Riza and Birinjar, and runs to Jaidar across the Kashgan to Madian Rud, and thence to Khoremad.

6. A decision on the part of His Majesty's Government to press the construction of the cart-road through Luristan might be held by the company to render much of their expenditure on the Kiyalan route unproductive, though not necessarily so, as, for some years to come, traffic would have to be solely by pack mules, which would naturally be taken over the Kiyalan route. Upon this and allied questions the opinion of an experienced engineer would be of value.

7. Should the company decide to commence work on the caravan route, I am of

[1505]

3 Q

the opinion that they should, for the present, deal with the tribes through the Governor-General, and not direct, as the chiefs are quite untrustworthy and incapable of enforcing compliance by their followers with the terms of any agreement which they may conclude.

8. The transfer of the "Malamir" subsidy to the Luristan road would, no doubt, be a great inducement to the company to commence work on a caravan track independently of the cart track or railway question, and I venture to express a hope that the proposal will not be lost sight of in this connection.

I have, &c.

A. T. WILSON,
Lieutenant, I.A.

[32815]

No. 335.

Sir G. Lowther to Sir Edward Grey.—(Received August 21.)

(No. 568.)

Sir,

Therapia, August 10, 1911.

THE local press has of late devoted some little attention to the situation created in Persia by the return of Mohammad Ali, a circumstance which has hitherto been invariably ascribed to the machinations of Russia, while every minor act on the part of the Russian Legation in Tehran, such as M. Poklewski's protests against the nomination of Major Stokes or his defence of M. Mornard's independence of Mr. Morgan Shuster, is exhibited as proof of Russia's sinister intentions. It is therefore remarkable to find the "Turquie"—a paper which is generally credited with reflecting the anti-Russian sentiments of the committee—publishing an article, copy enclosed,* the purport of which is to suggest that, as neither Great Britain nor Russia can desire to create a Persian question at this moment, the attempt of the ex-Shah to regain his throne may well have been engineered in Austro-German interests to divert attention from the Agadir coup.

Although I imagine that there is no foundation in fact for the ingenious conclusion which the writer of the article has been led to deduce from a fortuitous coincidence of events, the article is interesting as showing the existence of a disposition here to distrust the diplomacy of the two Central European Powers.

I have, &c.

GERARD LOWTHER.

[32949]

No. 336.

Consul Stevens to Sir Edward Grey.—(Received August 21.)

(No. 10.)

Sir,

Batoum, August 10, 1911.

I HAVE the honour to inform you that it has come to my knowledge that the authorities at Batoum have received secret instructions to exercise special vigilance with a view to preventing six persons (names given) of Armenian nationality, who have been charged by certain revolutionary societies in Europe to assassinate ex-Shah Mahomed-Ali, from landing at Batoum and other ports in the Caucasus, whence they could easily journey to Persia.

I have, &c.

P. STEVENS.

[33104]

No. 337.

Sir G. Barclay to Sir Edward Grey.—(Received August 21.)

(No. 343.)

(Telegraphic.) R.

Tehran, August 21, 1911.

STOKES asks me whether, in view of my communication to Persian Government, of which I informed him, he is to understand that his resignation is definitively refused, and, if so, on what grounds? He points out that it is now three weeks since he tendered his resignation, and that he is still without a reply. Meanwhile he says that Shuster is most anxious for him to begin work.

* Not printed.

[33041]

No. 338.

Sir G. Barclay to Sir Edward Grey.—(Received August 21.)

(No. 344.)

(Telegraphic.) P.

Gulahek, August 21, 1911.

ACTING consul, Tabreez, reports that Suja-ed-Dowleh has announced in Tabreez that he has been appointed Governor-General of Azerbaijan by Mohammad Ali Mirza. Suja-ed-Dowleh, who is Governor of Maragha, took a prominent part in the siege of Tabreez before the revolution. He is at present at Sarab, and is stated to have a considerable following.

[33042]

No. 339.

Sir G. Barclay to Sir Edward Grey.—(Received August 21.)

(No. 345.)

(Telegraphic.) P.

Gulahek, August 21, 1911.

I REGRET misunderstanding referred to in your telegram No. 244 of yesterday. My Russian colleague and I advised Persian Government on the 20th August to appoint Swedish officers to organise the Treasury gendarmerie in the place of Major Stokes.

This course appeared to us to offer a possible solution of the present deadlock.

The essential is that gendarmerie organisation in some form should be started. I believe, moreover, that the Treasury gendarmerie, as Mr. Shuster has identified himself with it, is more likely to progress than another force organised simultaneously, even if funds were forthcoming for both bodies. I was under the impression that, as the work of organisation advanced, we could always, if it became necessary to insist, demand that a portion of the gendarmerie should be diverted from Treasury purposes to a more general use in the country.

The senior Swedish officer is, however, reported to have stated that he will need twelve months before being able to do anything effective. If this is true he can be of no service to Treasurer-General, who considers the formation of his gendarmerie to be an immediate necessity.

[33046]

No. 340.

Sir G. Barclay to Sir Edward Grey.—(Received August 21.)

(No. 346.)

(Telegraphic.) P.

Gulahek, August 21, 1911.

SITUATION in Shiraz.

Persian Government have lately been endeavouring to induce Nizam-es-Sultaneh to make terms with the Kawami, but their efforts have proved unavailing.

Mr. Knox reports that the situation is growing more serious. There has been incessant fighting during the last three days. Looting proceeds unchecked, all business is arrested, and the outlying districts are in a more disturbed condition than ever. Kashgai are posted in a cordon at the approaches to consulate. Mr. Knox adds:—

"Ispahan road unsafe, and, though condition of Bushire road is at present good enough, it does not inspire confidence among native merchants, who have stopped all forwardings. All local pressure on governor-general in direction of moderation has proved useless, and I am convinced he and Soulet merely interpret our tolerance as acquiescence in their methods and ambitions, and that so long as they do so nothing but increasing disorder can be expected in Fars."

I have communicated substance of acting consul's telegram to the Persian Government demanding that the Kashgai cordon should be withdrawn from the approaches to His Majesty's consulate, and reminding them of their responsibility with regard to British lives and property.

[33047]

No. 341.

Sir G. Barclay to Sir Edward Grey.—(Received August 21.)

(No. 347.)

(Telegraphic.) P.

Gulahek, August 21, 1911.

PROPOSED motor road from Bushire to Shiraz.

In reply to your despatch No. 85 of the 19th July, I have the honour to report that I see no objection to the survey proposed. I do not intend to bring the matter to the notice of the Persian Government.

[33048]

No. 342.

Sir G. Barclay to Sir Edward Grey.—(Received August 21.)

(No. 348.)

(Telegraphic.) P.

Gulahek, August 21, 1911.

MAJOR STOKES and the Treasury gendarmerie.

I have the honour to report that Treasurer-General called on my Russian colleague on the 20th August, and again pressed him hard on the subject of Major Stokes's appointment to the Treasury gendarmerie.

Mr. Shuster stated that he was ready to undertake that Major Stokes's employment in Northern Persia should be exclusively confined to the work of organisation in Tehran, that he should not remain longer than six months in the capital, and that he should be sent to Shiraz at the termination of this period. He intimated that he might arrange for a counter appointment of a Russian officer in the northern sphere. Furthermore, he promised to negotiate the conversion of the Banque nationale d'Escompte's loan with the Russian Government, and to exclude it from certain loan negotiations which he had begun with Colonel Beddoes, Messrs. Seligman's representative in Tehran.

In reply, M. Poklewski, although offering no hope that Russian Government would reconsider their decision in the matter, undertook to communicate these assurances to his Government. He has subsequently informed me that he is reporting by no means unsympathetically on Treasurer-General's proposals.

Mr. Shuster, after his interview with M. Poklewski, persuaded the "Times" correspondent to withhold a report of an interview which he had given him, and which would have precipitated the situation. In the course of conversation he also informed my Russian colleague that he would hold back for the present a public statement on which he was engaged. In this connection please refer to penultimate paragraph of my telegram No. 322 of 9th August, statement in question would, I understand, follow the lines there indicated.

[33044]

No. 343.

Sir G. Buchanan to Sir Edward Grey.—(Received August 21.)

(No. 188.)

(Telegraphic.) P.

St. Petersburg, August 21, 1911.

PERSIAN gendarmerie.

Your telegram No. 244 to Sir G. Barclay.

It was distinctly suggested in Sir G. Barclay's telegram No. 337 that Swedish officers should be recommended by the two legations to the Persian Government for employment in the Treasury gendarmerie.

On the receipt of your telegram No. 447 of the 17th August, I accordingly made a communication to the Russian Government in the sense of Sir G. Barclay's telegram.

[32759]

No. 344.

Foreign Office to India Office.

Sir,

Foreign Office, August 21, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 17th instant relative to the terms of the contract which the Persian Railways Syndicate propose to present to the Persian Government in connection with

the concession for which they are about to apply for the construction of railways in Persia, in which it is suggested that the syndicate should be asked to put forward in the first instance the latter of the two alternative bases of agreement detailed in their communication of the 11th instant.

With reference to this point I am to transmit to you herewith copies of a letter from the Board of Trade,* who were also consulted on the subject, suggesting a means by which, in their view, the objection to the former alternative which was urged in the letter from this Office of the 15th instant would be removed, and of a telegram from His Majesty's Minister at Tehran,† giving reasons for preferring the alternative.

I am to state that Sir E. Grey is disposed to agree with the Board that their suggestion obviates the disadvantages which would otherwise attach to this course, and to recognise the advantage of adopting it pointed out by Sir G. Barclay, and that he would suggest, if the Marquess of Crewe shares this view, that the syndicate should be informed accordingly.

I am to add that, from the point of view of the syndicate, this procedure would have the further advantage of absolving them from the necessity of redrafting the contract.

I am to request the favour of an early reply to this letter.

I am, &c.

LOUIS MALLET.

[32467]

No. 345.

Foreign Office to Mr. Baker.

Sir,

Foreign Office, August 21, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 16th instant, relative to a scheme of railway construction in Persia.

I am to inform you in reply that, in view of the fact that a portion of the line which you propose to build lies within the part of Persia defined as the Russian sphere of interest under the terms of the Anglo-Russian agreement of 1907, His Majesty's Government could not in any way countenance your proposal without the approval of the Russian Government. Should that approval be obtained, His Majesty's Government would observe a neutral attitude between different British groups desirous of constructing railways in Persia.

I am to add that a powerful British syndicate has already been formed for the construction of such lines, and that, according to the information in Sir E. Grey's possession, their offers are receiving sympathetic consideration from the Persian Government.

I am, &c.

LOUIS MALLET.

[33190]

No. 346.

Sir G. Barclay to Sir Edward Grey.—(Received August 22.)

(No. 349.)

(Telegraphic.) R.

Tehran, August 22, 1911.

SHIRAZ.

Acting consul reports that negotiations have been opened with rebel quarter, resulting in armistice.

[33255]

No. 347.

Mirza Mehdi Khan to Mr. Mallet.—(Received August 23.)

Dear Mr. Mallet,

Persian Legation, August 17, 1911.

YESTERDAY when I had the pleasure of seeing you, you enquired as to the number of Russian troops still in Persia, and asked me to send you particulars, which I now enclose.

Yours sincerely,

MEHDI.

* No. 326.

† Sir G. Barclay, No. 341, Telegraphic.

Enclosure in No. 347.

Russian Troops in Persia.

THE number of Russian troops still in Persia is nearly 4,000, composed as follows:—

1. At Tabreez and on the Djulfa road, about 1,000.
2. At Ardabil and Astara, more than 2,000.
3. At Urmia, from 40 to 60.
4. In the province of Guilan, 100.
5. At Kazvin, 53.
6. In the province of Khorassan, 200.

[33241]

No. 348.

India Office to Foreign Office.—(Received August 23.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of the Marquess of Crewe, forwards herewith, for the information of the Secretary of State, copy of a minute, dated the 17th August, 1911, by the director-in-chief, Indo-European Telegraph Department, regarding Persia telegraphs.

India Office, August 22, 1911.

Enclosure in No. 348.

Minute by Director-in-Chief, Indo-European Telegraph Department, August 17, 1911.

THIS department, at the expiration of each official year, prepares an account of the amount due to the Persian Government for their share of telegraph revenue earned by the department under the telegraph conventions with that Government. This terminal rate and traffic account for the year 1910-11 showed that the payment due to the Persian Government amounted to 211,990·80 krans, equivalent to 57,295 rupees (3,819l.).

After much delay and negotiation, the Persian Minister of Posts and Telegraphs agreed that the following deductions in settlement of claims of this department might be made from the amount payable to him under the terminal rate and traffic account for 1910-11:—

No.	—	Deductions.		
		Krans.	Rupees.	£
1	For losses incurred by the employés of the Indo-European Telegraph Department, due to assaults and robberies while in the legitimate performance of their duties, up to March 31, 1910	63,166·35	17,072	1,138
2	Annual contribution towards maintenance of the Tehran-Meshed line	15,000·00	4,054	270
3	Annual contribution towards maintenance of the second wire, Tehran-Shahrud, starting from December 18, 1909, at 5,400 krans per annum, up to March 31, 1911	6,975·00	1,885	126
	Total deductions	85,141·35	23,011	1,534
	Balance paid to Persian Government ..	126,849·45	34,284	2,285
	Total of terminal rate and traffic account ..	211,990·80	57,295	3,819

The department has accordingly obtained payment of some considerable sums that were due to it, and as this may be considered a satisfactory result in the present state of the Persian finances, I put it forward for information.

H. A. KIRK.

[32346]

No. 348 A.

Sir Edward Grey to Sir G. Barclay.

(No. 245.)

(Telegraphic.) P.

Foreign Office, August 23, 1911.

WE have had several complaints lately from Persian Minister to the effect that the Russians were conniving at the return of the ex-Shah; that he was brought in a Russian boat by six Russian naval officers from Baku to the frontier; that according to their consul at Askabad the khan of the ports, who is a colonel of the Russian General Staff, had left that place apparently with the intention of assisting His Majesty; that money has been collected at the Russian bank for him; and that his cause is actively espoused by one of the staff of the Russian consulate-general at Tehran; also that the Cossack brigade make excuses to avoid being sent to the provinces, and refuse to obey the orders of the Persian War Minister.

Do you think there is any foundation for these somewhat indefinite allegations? If so, please report.

[33044]

No. 348 B.

Sir Edward Grey to Sir G. Barclay.

(No. 246.)

(Telegraphic.) P.

Foreign Office, August 23, 1911.

IT was mistake in decyphering your telegram No. 337 of the 17th August which led to misunderstanding about employment of Swedish officers.

It is clear that something must be done at once to avoid withdrawal of trade from Persian Gulf by more important British firms, which would mean a heavy loss to Persia, and of which there seems real danger.

How are the roads in southern provinces to be guarded if Persians employ all the Swedish officers on the Treasury gendarmerie? If one were employed instead of Major Stokes the others might be instructed to proceed at once, if they can, to Bushire, and organise temporary escorts pending the constitution of a regular force, which will only be possible when order has been established in the finances. Would this do? And would not co-operation between the Swedish officers and merchants make some arrangement possible for route between Bushire and Shiraz, like use of armed muleteers, which enables Lynch to resume transport on this road.

[1505]

3 R*

[32764]

No. 349.

Sir Edward Grey to Sir G. Barclay.

(No. 104.)

Sir,

Foreign Office, August 23, 1911.

WITH reference to your despatch No. 37 of the 16th March, 1910, relative to the proposed method of the transfer to the Bakhtiari khans of the shares in the First Exploitation and Bakhtiari Oil Companies to which they are entitled, I transmit to you herewith copy of a letter from the Anglo-Persian Oil Company, embodying the instructions sent to their representative on the spot regarding the procedure to be followed.*

I have to request you to instruct His Majesty's consul at Ahwaz to concert with Dr. Young, when the proper moment approaches, with a view to arrange with the khans as to the time and place at which the delivery of the shares shall be effected.

I am, &c.

E. GREY.

[32726]

No. 350.

Foreign Office to Treasury.

Sir,

Foreign Office, August 23, 1911.

WITH reference to the letter from your department of the 31st October last relative to a scheme for the military defence of the buildings of His Majesty's consulate at Bunder Abbas, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a letter from the India Office on the subject.†

I am to state that Sir E. Grey concurs in the opinion expressed by the Marquess of Crewe that the provision of a Maxim gun, authorised by the Government of India, was justified in the circumstances, and I am accordingly to express the hope that the Lords Commissioners of His Majesty's Treasury may see their way to sanction the charge to Imperial funds of one-half (114l. 15s. 4d.) of the sum thus expended.

I am, &c.

LOUIS MALLET.

[32074]

No. 351.

Foreign Office to India Office.

Sir,

Foreign Office, August 23, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 12th instant relative to the proposed substitution of members of the Levant consular service for servants of the Government of India at certain consular posts in Persia and Turkish Arabia.

I am to state that Sir E. Grey concurs generally in the view held by the Marquess of Crewe with regard to this question, and, in view of the general assurance given by the Government of India in paragraph 3 of their despatch, copy of which is enclosed in your letter, is disposed to recognise the advisability of abstaining from any modification of the arrangements at present in force, at least for the time being.

I am, &c.

LOUIS MALLET.

[32459]

No. 352.

Foreign Office to Messrs. Ellinger and Co.

Gentlemen,

Foreign Office, August 23, 1911.

WITH reference to my letter of the 26th July relative to the shipment of red oxide from the Island of Hormuz, I am directed by Secretary Sir Edward Grey to inform you that he has received a letter from Messrs. Frank C. Strick and Co.,

* No. 327.

† No. 325.

stating that, in their view, neither your firm nor Messrs. Andrew Weir and Co. have any claim against the Persian Government or against Muin-ut-Tujjah in connection with this matter.

The letter adds that, in these circumstances, it is out of the question for Messrs. Strick to agree to your proposal.

I am to add that, on the 16th instant, Sir E. Grey addressed a telegram to His Majesty's Minister at Tehran, instructing him to present a claim to the Persian Government on your behalf and that of Messrs. Weir, and drawing his attention to the points raised in your letter of the 15th June.

I am, &c.
LOUIS MALLET.

[33415]

No. 353.

Sir G. Barclay to Sir Edward Grey.—(Received August 24.)

(No. 350.)

(Telegraphic.) P.

Gulahek, August 24, 1911.

IN continuation of my telegram No. 333 of the 16th August, I have the honour to report that Salar-ed-Dowleh left Kermanshah on the 23rd August for Hamadan.

[33416]

No. 354.

Sir G. Barclay to Sir Edward Grey.—(Received August 24.)

(No. 351.)

(Telegraphic.) P.

Gulahek, August 24, 1911.

I HAVE received the following telegram from His Majesty's consul-general at Bushire, No. 192, dated the 21st August:—

"I am informed by His Majesty's consul at Ahwaz that the Luristan road is quite safe for traffic, and that the merchants of Khorremabad are desirous of inducing the muleteers to pass by this route.

"This is the first time since the acquisition of the concession by Lynch that such favourable conditions have prevailed, and I submit that Lynch be urged to send an agent over the road as soon as possible with a view to taking steps towards the completion of the road before the period of delay already granted expires."

I have brought the above to the notice of Lynch's agent in Tehran, who has instructed the company's engineer to proceed to Sultanabad. Engineer will, if conditions remain favourable, survey the road in question, but it is uncertain whether the security on the Luristan route will continue, as Persian Government are pressing Amir Mufakham Bakhtiari, to whose governorship improvement is due, to take the field against Salar-ed-Dowleh in the Kermanshah district.

[32023]

No. 355.

Foreign Office to Lieutenant-Colonel Cox.

(No. 1.)

Sir,

Foreign Office, August 24, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your despatch No. 6, Commercial, of the 23rd ultimo, suggesting that an assurance should be conveyed to British firms who have suffered loss through the theft of their goods on Persian trade routes that some portion at least of their claims against the Persian Government on this account will be paid to them whenever the next advance to the Persian Government is made.

I am to inform you, in reply, that you are authorised to convey to any firms who may apply to His Majesty's consulate-general on the subject an assurance to the effect that, in the event of any considerable loan being raised by the Persian Government for the payment of their creditors, His Majesty's Government will insist that British firms shall receive satisfaction.

I am, &c.
LOUIS MALLET.

[33534]

No. 354°.

Sir Edward Grey to Sir G. Barclay.

(No. 247. Confidential.)

(Telegraphic.) P.

Foreign Office, August 24, 1911.

SELIGMANS have, I am told, offered a loan of 4,000,000 to Persian Government, who would pay off loans from Russian bank. Can you confirm this?

My informant feels sure Seligmans could not raise 4,000,000 here, and supposes that Deutsche Bank are behind them.

[32764]

No. 356.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, August 24, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 18th instant relative to the proposed method of the transfer to the Bakhtiari khans of the shares in the First Exploitation and Bakhtiari Oil Companies to which they are entitled.

I am to inform you, in reply, that His Majesty's consul at Ahwaz will be instructed to concert with Dr. Young, when the proper moment approaches, with a view to arrange with the khans as to the time and place at which the delivery shall be effected.

I am, &c.

LOUIS MALLET.

[33533]

No. 357.

Messrs. Ellinger and Co. to Foreign Office.—(Received August 25.)

Sir,

28, Oxford Street, Manchester, August 24, 1911.

WE are in receipt of your letter of the 23rd instant, from which we see that Sir Edward Grey has received a letter from Messrs. Frank C. Strick and Co. (Limited), stating that, in their view, neither we nor Messrs. Andrew Weir and Co. have any claim against the Persian Government or the Muin-ut-Tujjar in connection with this matter, and that, in these circumstances, it is out of the question for Messrs. Frank C. Strick and Co. (Limited) to agree to the proposal made.

We also note that, on the 16th instant, Sir Edward Grey addressed a telegram to His Majesty's Minister at Tehran, instructing him to present a claim to the Persian Government on our behalf and that of Messrs. Andrew Weir and Co., and drawing his attention to the points raised in our letter of the 15th June.

We are, &c.

ELLINGER AND Co.

[33558]

No. 358.

Sir G. Barclay to Sir Edward Grey.—(Received August 25.)

(No. 352.)

(Telegraphic.) P.

Gulahck, August 25, 1911.

I HAVE the honour to report that the Persian Government have brought to my notice the complaints referred to in the second paragraph of your telegram No. 245 of the 23rd August, together with many others which tend to show that Russian consuls in Persia are favouring cause of Mohammad Ali Mirza, and that intrigues are being carried on by the many reactionaries who have taken up their quarters in Zerguendeh. Anything, however, that I may say to M. Poklewski on these points is of little avail, as the Persian Government do not in most cases press these complaints on his Excellency.

With regard to the alleged intrigues on the part of the Russian consulate-general, and to the collection of money for Mohammad Ali Mirza, I can hardly believe that these charges could be substantiated, as the Persian Government have not made them to Russian Minister.

In connection with the charge of disobedience brought against the Cossack brigade, I have frequently heard complaints made that Colonel Vadbolsky would not furnish guns and ammunition, nor send his men to the provinces, but I am disposed to consider that these complaints are unreasonable, and that colonel had already, before the ex-Shah's return, denuded himself for Government purposes outside Tehran of such Cossacks, guns, and ammunition as could be spared without destroying the cadres of the brigade. There are not more than 400 men in Tehran, apart from the various legation guards—a just sufficient number to preserve a nucleus of the three branches: artillery, cavalry, and infantry.

When I mentioned it to him my Russian colleague ridiculed the idea that ex-Shah

[1505]

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had been accompanied by Russian naval officers, and that he was being assisted by a Russian staff officer. I am now asking Major Sykes, at Meshed, whether he has any confirmation of this report. That His Majesty crossed the Caspian on board a Russian tramp steamer from Petrowsk is generally admitted. The report of an interview with the captain of a disabled schooner rescued by the tramp in question appears in the "Caspian," a Baku newspaper. Captain says that it was observed that the tramp carried passengers—Persian notables and well-dressed Europeans. His Majesty's vice-consul at Resht (see my despatch No. 141 of the 8th August, due in London on Monday) further states that it is reported that seventy packages, mostly containing arms and ammunition, were landed with Mohammad Ali Mirza.

I would refer you to my Private telegram dated the 25th July and to Vienna telegram No. 80 of the 20th July, Secret paragraph, with respect to general question of Russian connivance at ex-Shah's return. Early in July M. Poklewski remarked at the bridge table that Mohammad Ali would be back in Persia soon. I did not at the time pay any attention to this remark, as it is hardly conceivable that M. Poklewski, if he had known of the impending return of His Majesty, would have talked about it. It is stated that the officers of the Cossack brigade spoke in the same strain, but the unprecedented disturbances in the country would naturally give rise to such talk, and the wish may well, in this case, have been father to the thought. That His Majesty's return should have occurred simultaneously with the development of Treasurer-General's activities, which have given such umbrage to Russian Government, is perhaps unfortunate.

[33549]

No. 359.

Sir G. Barclay to Sir Edward Grey.—(Received August 25.)

(No. 353.)

(Telegraphic.) P.

Gulahek, August 25, 1911.

HIS Majesty's vice-consul at Lingah, who is charged with Turkish interests, acting under instructions from the Turkish Embassy, carefully investigated last year the grounds upon which the claims of all applicants for Turkish registration certificates in Lingah were based. The applicants were twenty-five in number, and, after an exhaustive enquiry, Mr. Vice-Consul New informed the Turkish Ambassador that one only had the right to Turkish registration.

While visiting Lingah recently, the Turkish consul at Bushire issued Turkish registration certificates to about 420 persons without consulting with Mr. New. Turkish consul informed Mr. New of his action when calling to say good-bye, adding that he had not been able to register more than 420 only on account of a shortage of certificates, and that there would be in Lingah at least 5,000 Turkish subjects when the pearling fleet returned. He went on to say that generations ago forefathers of the persons whom he had registered had come from Katif, Katar, and Bussorah, and threatened retaliation in the case of Persian subjects in Bussorah and Bagdad if the Persian authorities attempted to interfere.

Mr. New believes that subjects of Oman and the Trucial coast, &c., will be found to have been registered by Nebill Zia as Turkish subjects.

A protest has been made by Persian Government. After some delay, I have received a reply to my enquiries from the Turkish Ambassador to the effect that, until the receipt of a report from his consul on the 22nd August, he had been unaware of the registrations. He intended now to investigate the matter, and would take the necessary action. You will perhaps think it expedient to take steps at Constantinople in view of this somewhat vague reply, in order to restrict consul's zeal. Nebill Zia's action was, of course, very discourteous to Mr. Vice-Consul New.

[33683]

No. 360.

Sir G. Barclay to Sir Edward Grey.—(Received August 25.)

(No. 354.)

(Telegraphic.) P.

Gulahek, August 25, 1911.

HORMUZ oxide.

I have the honour to report that, on receipt of your telegram No. 237 of the 16th August, I drew up a note in accordance with your instructions, but I postpone

addressing it to the Persian Government before again referring to you, as I shall in all probability have to argue the matter with the Persian Government's foreign advisers.

My draft note is, as you are aware, based on the violation of the contract which Muin-ut-Tujjar entered into with Messrs. Weir and Ellinger, and not on the dis-possession of the Muin, but Ellinger, as I understand it, claims his larger item (please refer to final paragraph of your telegram under reference) on this latter ground.

In these circumstances, I am still of opinion that it would be better either to abandon this item or to embody it in a separate communication, unless, of course, I am enabled to show that it arises out of the violation of the contract.

[33538]

No. 361.

Sir G. Barclay to Sir Edward Grey.—(Received August 25.)

(No. 355.)

(Telegraphic.) En clair.

Tehran, August 25, 1911.

TURKOMANS have advanced along Meshed road to within 25 miles Aradan.

[33550]

No. 362.

Sir G. Barclay to Sir Edward Grey.—(Received August 25.)

(No. 356.)

(Telegraphic.) R.

Tehran, August 25, 1911.

NAIB (see last annual report, p. 15) has taken town of Ardistan and is marching against Kashan.

[33551]

No. 363.

Sir G. Barclay to Sir Edward Grey.—(Received August 25.)

(No. 357.)

(Telegraphic.) P.

Gulahek, August 25, 1911.

MESSRS. SELIGMAN and Persian Government. Please refer to my telegram No. 348 of 21st August.

Negotiations in question are those alluded to in my above-mentioned telegram. I will telegraph summary of proposals later.

[33644]

No. 364.

Sir G. Barclay to Sir Edward Grey.—(Received August 25.)

(No. 358.)

(Telegraphic.) P.

Gulahek, August 25, 1911.

PLEASE refer to my telegram No. 353 dated the 25th August.

Colonel Cox telegraphs as follows, No. 199 of the 24th August:—

"I have received a letter, dated the 16th August, from His Majesty's vice-consul at Lingah, containing a vigorous protest against the discourteous attitude adopted towards him by the Turkish consul.

"Pleading a previous engagement, Turkish consul refused the invitation to stay tendered him by Mr. New, who had been previously informed of his projected visit and accepted the hospitality of the son of the former Turkish agent at Lingah.

"Without communicating with Mr. New, upon whom he did not call until the third day of his visit, he hoisted flag-staff and flag at the house where he was staying. Throughout his proceedings Nebill Zia showed no recognition of Mr. New's standing as Turkish representative, and he is reported to have stated at a public meeting that it would be well for people having the interests of Turkey at heart to apply for a Turk to replace Mr. New.

"In conclusion, Mr. New adds that every effort was made by Nebill Zia while at Lingah to damage his influence as Turkish representative there, and that action of Turkish consul was calculated to prejudice also his prestige as British vice-consul.

"I should be glad if you will consider what steps should be taken in order to obtain redress."

I am communicating with Turkish Ambassador on the matter, but I submit that a strong protest at Constantinople is called for by Turkish consul's action.

[33365]

No. 365.

Sir Edward Grey to Sir R. Rodd.

(No. 138.)

Sir, *Foreign Office, August 25, 1911.*
THE Italian Ambassador called at this Office on the 21st instant and informed Mr. Mallet that the Persian Government had asked the Italian Minister at Tehran for the support of Italy against the ex-Shah.

The Italian Government had replied that they could not intervene in the internal affairs of Persia.

Mr. Mallet thanked the Marquis Imperiali for this communication.

I am, &c.

E. GREY.

[31649]

No. 366.

*Foreign Office to Lloyd's.**

Sir,

Foreign Office, August 25, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 10th instant relative to the continued insecurity prevailing on the trade routes of Southern Persia.

I am to inform you in reply that Sir E. Grey is fully alive to the serious condition of affairs in the region in question and of the consequent injury to British trade.

The Persian Government have agreed to the formation of a body of gendarmerie under European officers, who have already arrived at Tehran to take up their duties, and Sir E. Grey is urging on the Persian Government the necessity of the speedy organisation of this force.

In the event of undue delay in the formation of the gendarmerie or of its failure to achieve its objects, His Majesty's Government will consider other measures for the protection of British trade, and in the meanwhile the Persian Government will be held responsible for direct losses incurred by British subjects by the robbery of their goods.

I am, &c.

LOUIS MALLET.

[33565]

No. 367.

India Office to Foreign Office.—(Received August 26.)

Sir,

India Office, August 25, 1911.

IN reply to your letter of the 21st instant regarding the terms of the contract which the Persian Railways Syndicate propose to offer to the Persian Government, I am directed by the Secretary of State for India to say that he concurs with Secretary Sir E. Grey as to the advantage of the course suggested by the Board of Trade as to the redemption of the State bonds.

I am, &c.

R. RITCHIE.

* Also to Messrs. David E. Somech and Co., *mutatis mutandis*.

[33674]

No. 368.

Sir G. Barclay to Sir Edward Grey.—(Received August 26.)

(No. 359.)

(Telegraphic.) P.

Tehran, August 26, 1911.

MAJOR STOKES and Treasury gendarmerie.

Reference to your telegram No. 246 of the 23rd August.

I have the honour to report that Treasurer-General thinks, and I am entirely of his opinion, that one gendarmerie only should suffice. He considers that the Treasury gendarmerie should be able to meet all requirements. Mr. Shuster is confident of being in a position, in due course, to dispatch to Shiraz 4,000 men for the purpose of policing the road and collecting taxes in Fars—the Central Government at present receives from that province no revenue whatsoever. But, in order to accomplish this within a reasonable period, the services of Major Stokes in the capital for some months are indispensable to Mr. Shuster. Treasurer-General believes that two years would be necessary before a gendarmerie of any value could be organised by men to whom the conditions and language of the country are unfamiliar, and by that time Persia will be irretrievably bankrupt unless taxes are collected. For this reason he does not consider that the suggestion that he should entrust the foundation of the gendarmerie force to the Swedes is practicable. I understand, however, that he hopes to merge these officers subsequently into the force.

I doubt whether the Swedish officers would be able within reasonable time to organise any force capable of effectively dealing with the road question even should they succeed in reaching Bushire. The Bushire-Shiraz section of the road is, moreover, more or less secure. Measures are most urgently required on the Shiraz-Ispahan section, but I do not think that armed muleteers would be able to cope with the strong robber bands that infest this latter section.

Treasurer-General's schemes offer, I believe, a solution of the road question, and the prospect of this solution is not so distant, and British firms may be reassured, if only Major Stokes can remain for a time in Tehran.

[33684]

No. 369.

Sir G. Barclay to Sir Edward Grey.—(Received August 26.)

(No. 360.) Decode.

(Telegraphic.) P.

Tehran, August 26, 1911.

MY telegram No. 246 of the 12th July.

Mujallal has entered Ardebil unopposed.

[33700]

No. 370.

Sir G. Barclay to Sir Edward Grey.—(Received August 26.)

(No. 361.)

(Telegraphic.) R.

Tehran, August 26, 1911.

MY telegram No. 357 of 25th August.

Colonel Beddoes, representing Seligman, has received an application from Shuster for a 5 per cent. loan of 4,000,000*l*. Following are principal conditions of proposed project of contract, which Beddoes has submitted to the Russian Minister and to me:—

Loan is for repayment of Russian Bank's loan, improvement of trade routes, development of commerce and agriculture, reproductive works such as irrigation, and the establishment of effective financial control at Tehran and in the provinces.

Seligmans agree to issue loan at time and price to be fixed by Treasurer-General after consent of Medjliss, but if Seligmans consider price inadvisable they may retire.

Seven and a-half per cent. commission for Seligmans.

Loan must be redeemed in forty years—1 per cent. sinking fund—but may be redeemed any time after 1925 with six months' notice.

Security is revenues from mint, passports, Crown lands and maliat, and the surplus of northern and southern customs after payment of prior charges.

Seligmans to have right, in the event of default, to administer any of these

[1505]

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revenues except customs; these revenues shall be kept at such bank as Seligmans and Treasurer-General shall agree upon.

Office of Treasurer-General, who must be an American or European approved by his Government, to be maintained for duration of contract, and his powers as now established must not be diminished without Seligmans' consent.

Provision is made for a Treasurer-General's staff of seven persons, to be selected by him.

During expenditure of loan a representative of Seligmans must be maintained at Tehran. Expenditure will be made, subject to representative's consent, by Treasurer-General, with authorisation of Medjliss.

Seligmans will not conclude unless they have letters from Treasurer-General giving figures satisfactory to them concerning revenue pledged, and unless they are assured of British and Russian support.

[33701]

No. 371.

Sir G. Barclay to Sir Edward Grey.—(Received August 26.)

(No. 362.)

(Telegraphic.) R.

Tehran, August 26, 1911.

MY telegram No. 361 of 26th August.

Beddoes, who is fully aware of conditions laid down in your telegram No. 116 of 20th April, has repeatedly assured me that Seligmans have no connection with Germany. He assures me now under no circumstances will any of the money be raised in Germany.

Beddoes has given Russian Minister following undertakings in the hope of obtaining provisional consent of Russia forthwith so that loan may be submitted to the present Medjliss, whose term is nearly ended:—

1. If, in order to facilitate negotiations, Russian Government are good enough to promise their moral support, it is agreed not to sign contract definitively unless and until Russian Government have notified their consent to this being done. It being understood that their acquiescence or refusal will be finally notified not more than five months after date of provisional signature. (Draft contract allows six months' interval between preliminary signature in Tehran and definite signature in London.)

2. Without disturbing present arrangement regarding banking of customs or such other funds as may at present be banked in Russian Bank, it is understood that should Russian Government consent to loans being made, and give their moral support, 50 per cent. of all receipts will be banked with the Russian Bank.

3. Seligmans' representative mentioned in contract will be instructed to work in agreement with two legations.

Beddoes tells me that it is proposed to issue loan in two parts: first issue, for conversion of Russian Bank's loan, to be made as soon as market allows, and remainder to be issued as soon as Treasurer-General can satisfy Seligmans as regards maliat, &c. Balance of first issue is needed for upkeep of gendarmerie and other forces needed to restore order. He tells me that project includes no railway construction.

[33047]

No. 372.

Foreign Office to India Office.

Sir,

Foreign Office, August 26, 1911.

WITH reference to the letter from this Office of the 20th ultimo, relative to the proposal for the construction of a motor road from Bushire to Shiraz, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a telegram from His Majesty's Minister at Tehran, reporting that he sees no objection to a survey being made with a view to the execution of this project.

I am accordingly to request that, should the Marquess of Crewe see no objection,

* No. 341.

a telegram may be addressed to the Government of India instructing them to detail an officer to undertake the duty.

I am, &c.

LOUIS MALLET.

[33702]

No. 373.

Sir G. Barclay to Sir Edward Grey.—(Received August 27.)

(No. 363.)

(Telegraphic.) Decode.

Tehran, August 27, 1911.

MY telegram No. 324 of 12th August.

Arshad-ed-Dowleh's force have been reported to have defeated small Government force near Aradan and to have entered Aradan.

[33735]

No. 374.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 122 A.)

Sir,

Gulahek, July 15, 1911.

I HAVE the honour to acknowledge receipt of your telegram No. 199 of the 13th instant.

The proposal of the Russian Government that the command of the Treasury gendarmerie, which the Treasurer-General desires that Major Stokes should organise, should be split up so as to secure a Russian as well as a British officer, would not, I feel sure, be accepted by the Persian Government except under compulsion, and if we insisted upon it, I have little doubt that the Treasurer-General would resign.

As regards the alternative proposal that the command of the Treasury gendarmerie should be entrusted to a Swedish officer or to a subject of some other minor Power, I thought it well to consult Mr. Shuster, and I have now the honour to transmit a copy of his reply.

I have, &c.

G. BARCLAY.

Enclosure in No. 374.

Mr. Shuster to Sir G. Barclay.

Tehran, July 14, 1911.

Dear Sir George,

I AM in receipt of your note of to-day's date in which you state that your Government evidently think that the appointment of Major Stokes to organise the Treasury gendarmerie might cause some international jealousy. You ask me whether the appointment of a Swedish officer or of a subject of some other minor Power might not be a way out of the difficulty.

In reply, I beg to state that the Medjliss having recently authorised me to appoint a suitable person to organise, under my direct supervision and control, a force of Treasury gendarmerie, I tendered the position to Major Stokes for the sole reason that I consider him to be the best fitted man for the work whom I could possibly obtain. I am personally aware of Major Stokes's peculiar qualifications for this task, such as his military training, his four years' sojourn in Persia, his knowledge of the country, of the Persian language and of French (which is widely spoken here), and, in general, of the high esteem in which he is held in this community as an officer and a man.

I have no hesitancy in assuring you that in seeking the most efficient financial aide whom I could find for this particular branch of my work, the question of nationality played no part whatever in making up my opinion. Had this been so, it is but natural to presume, that the matter being left entirely to my discretion, I would have sought such an assistant from my own country.

I may take this occasion to repeat that the work of financial reform here, which I have undertaken in the midst of many grave difficulties, and on which I have in a manner risked my professional reputation, is in no sense political in its character. No act of mine has been guided by political considerations, either local or international and I naturally feel that I could not in any manner accept any suggestion which would

cast upon my perfectly frank and disinterested tender of a post to Major Stokes the light of political bias.

With all due respect to the subjects of minor Powers, and without any disrespect to several of my own countrymen whom I have appointed to serve with Major Stokes in the Treasury gendarmerie, I believe that Major Stokes is the best qualified to give efficient service to this country in connection with my own financial mission, and I would be unwilling, under any circumstances, to appoint anyone, from any Power whatsoever, for this or any other branch of my work unless I, personally, was aware of and satisfied with the appointee's special qualifications.

We know, of course, that one of the greatest handicaps from which any foreigner suffers here is, as in my own case, a lack of knowledge of the language, habits, and modes of thought of the Persian people. This defect becomes even more serious in the case of one called upon to deal directly with a large number of such men as would go to make up an armed force. A Swedish officer, be he ever so competent, would have to spend at least a year or more here before he could possibly be of any real assistance in this line of work, whereas the necessity of getting my gendarmerie force organised and at work at once is urgent in the extreme.

In conclusion, permit me to say that, as the fact of my tender of this post to Major Stokes is now generally known here, any withdrawal of that offer by me could not fail to be interpreted as being dictated by purely political considerations, which I could by no means permit.

Trusting that this statement will enable you to reassure your Government upon this subject, and that I may receive an early and favourable consideration by your Government of Mr. Stokes's acceptance.

I am, &c.
W. MORGAN SHUSTER.

[30554]

No. 375.

Sir G. Barclay to Sir Edward Grey.—(Received August 3.)

(No. 123.)

Sir,

Gulahek, July 23, 1911.

WITH reference to my telegram No. 246 of the 12th instant, I have the honour to forward a translation of a note from the Persian Government informing me of Mohammad Ali Mirza's departure from Vienna and of the movements of some of his adherents. My telegram referred to above was based on verbal representations from the Minister for Foreign Affairs, and this note only reached me on the 19th instant, or the day after the ex-Shah's landing at Gumish Tepé.

I have, &c.
G. BARCLAY.

Enclosure in No. 375.

Mohtashem-es-Sultaneh to Sir G. Barclay.

(Translation.)

Your Excellency,

July 19, 1911.

ACCORDING to information to hand, His Majesty Mohammad Ali Mirza has arrived at Baden under the name of Khalil Bagdadi, and that, in conjunction with Amir Bahadur Jang, he has by various means entered into relations with the Turkomans, and has sent his followers to Persia by ruse and under assumed names.

The disturbances of Salar-ed-Dowleh in Kurdistan and of Mujallal-es-Sultan among the Shahsevan tribes are the results of these steps and incitements. The same applies to the arrival at Baku of Sardar Arshad, Lais-es-Sultan, and Mansur-ul-Mulk, of which your Excellency has been informed verbally. The Russian Government had been requested to detain them with the steamer they had with them; but it appears that the Russian authorities have let them go, and that they have proceeded towards Petrovsk, and have had an interview with the Turkoman chiefs, and are going to Astrabad in order to pursue their activities from there. It is not improbable that they themselves will shortly appear at one of the frontiers.

Therefore in bringing these facts to your Excellency's notice I have the honour to draw your attention to the article of the protocol concluded between the British and Russian Legations and the Persian authorities on the 25th August (7th September),

1909, and to the undertakings of the representatives of the two friendly Powers, in order that you should urgently persuade His Majesty to desist from taking such steps, and that you should not hold back from co-operation with the authorities of this Government in putting a stop to this kind of occurrence.

I avail, &c.

MOHTASHEM-ES-SULTANEH.

[30555]

No. 376.

Sir G. Barclay to Sir Edward Grey.—(Received August 3.)

(No. 124.)

Sir,

Gulahek, July 23, 1911.

WITH reference to my telegram No. 279 of to-day's date, in which I reported that my Russian colleague and I had received identic notes from the Persian Government on the ex-Shah's return to Persia, I now have the honour to transmit a French translation of the communication in question.

As you will observe, the note concerns my Russian colleague rather than me—there are indeed some allusions in it to matters of which I had no cognizance—and much of it is entirely out of place as addressed to me.

I should state that the Minister for Foreign Affairs, when telling me the day before yesterday that he was addressing this note to the two legations, said, apologetically, that it was not in any way directed at me, but that as I had been a party to the protocol the Persian Government had felt compelled when writing to my Russian colleague on this matter to address me in identic terms.

As indicated in my telegram of to-day, I do not intend to answer this note unless instructed by you, Sir, to the contrary.

I have, &c.
G. BARCLAY.

Enclosure in No. 376.

Hassan Mohtasham-es-Sultaneh to Sir G. Barclay.

(Traduction.)

M. le Ministre,

Téhéran, le 19 juillet, 1911.

J'AI l'honneur d'attirer l'attention de votre Excellence sur le fait que depuis plus d'une année le Gouvernement Impérial, soucieux de maintenir l'ordre et la paix sur ses territoires, n'a pas cessé chaque fois qu'il l'a jugé nécessaire de signaler à votre Excellence les intrigues de l'ex-Chah Mohammad Ali Mirza et les relations secrètes entretenues par ses agents, notamment par la présence de Modjalal-os-Soltan chez les tribus chahsavanes, celle de Montazem-ol-Molk, Oraz Mohammad, &c., parmi les tribus turcomanes Djararbai des environs d'Astrabad.

Les intentions subversives de l'ex-Chah étant manifestes, le Gouvernement Impérial soit verbalement, soit par écrit, notamment par sa lettre du 27 ramazan, 1328, n'a pas manqué de signaler à votre Excellence les menées de l'ex-Chah et de ses agents.

Contrairement à l'attente du Gouvernement Impérial, votre Excellence n'a pas cru devoir prêter son concours comme le Gouvernement Impérial l'avait prié pour faire arrêter Serdar Archad Mansour-ol-Molk, Lais-os-Soltan et faire saisir les papiers dont ils étaient porteurs; aussi, ces individus ont-ils pu se rendre en toute liberté à Petrovski, avoir des conférences avec les Turcomans et se rendre ensuite sur le territoire persan.

L'indifférence de votre Excellence à tenir compte des légitimes et fréquentes représentations du Gouvernement Impérial ont malheureusement produit leur effet; d'après une nouvelle télégraphique, l'ex-Chah Mohammad Ali Mirza, venant de Russie à bord du bateau russe "Christoforos," a débarqué à Gumechteppé.

Conformément aux termes de l'article 2 du protocole signé le 25 août (7 septembre), 1909, le Gouvernement Impérial était en droit d'attendre que le Gouvernement de Sa Majesté britannique prenne toutes les mesures utiles pour empêcher l'ex-Chah et ses agents d'entretenir l'agitation dans le pays.

Étant données les relations de bon voisinage et d'amitié qui existent entre les deux pays, le Gouvernement Impérial ne sait à quoi attribuer les préventions et l'indifférence que le Gouvernement de Sa Majesté britannique lui a témoignées dans ces circon-

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stances. Il lui est difficile de croire que pendant cette période d'une année le Gouvernement anglais n'ait pu réussir à prendre les mesures capables d'arrêter l'agitation organisée par Mohammad Ali Mirza et ses agents, agitations dont les menées de Salar-ed-Douleh au Kurdistan et de Modjalal-os-Soltan à Ardebil ont été les prodromes les plus récents et à laquelle l'expédition du "Christoforos" vient de donner un caractère aigu.

Le Gouvernement Impérial regrette profondément de n'avoir pas trouvé le concours qu'il était en droit d'attendre du Gouvernement de Sa Majesté britannique, conformément à l'article 2 du protocole du 25 août (7 septembre), 1909, et en conséquence de l'équipée de l'ex-Chah sur le territoire persan il a l'honneur de porter à la connaissance de votre Excellence ce qui suit :

En premier lieu, les stipulations contenues dans les articles 2 et 10 du protocole du 25 août (7 septembre), 1909, recevront leur exécution en ce qui concerne la suppression de la pension précédemment due à Mohammad Ali Mirza et le traitement éventuellement réservé aux personnes qui l'accompagnent.

En second lieu, le Gouvernement Impérial, au nom des relations d'amitié qui existent entre les deux pays, rappelle au Gouvernement de Sa Majesté britannique l'engagement pris conjointement aux termes de l'article 2 du protocole précité, par les représentants de la Grande-Bretagne et de la Russie, ainsi que la promesse particulière et décisive que le représentant de la Russie a faite d'après le même article.

Enfin, le Gouvernement Impérial décline toute responsabilité quant aux dommages qui pourraient résulter du débarquement de Mohammad Ali Mirza, qui est venu de Russie et qui est arrivé sur les côtes persanes à bord d'un navire russe.

Le Gouvernement Impérial a pris et continuera à prendre les mesures les plus énergiques et les plus efficaces pour réprimer les désordres qu'une intervention plus rapide des autorités anglaises auraient rendu certainement impossibles. Il a la pleine conviction que ces mesures suffiront à faire cesser dans très peu de temps les troubles dont le débarquement de Mohammad Ali Mirza serait la cause.

Le Gouvernement Impérial est d'ailleurs persuadé que dans ces circonstances exceptionnelles le Gouvernement de Sa Majesté britannique lui prêterait l'appui moral nécessaire pour faire cesser l'agitation causée dans le pays par l'équipée de l'ex-Chah et des flibustiers qui l'accompagnent.

Je saisis, &c.

HASSAN MOHTACHAM-OS-SOLTANEH.

[33738]

No. 377.

Sir G. Barclay to Sir Edward Grey. (Received August 28.)

(No. 127.)

Sir,

Gulahek, July 27, 1911.

I HAVE the honour to transmit herein copies of two despatches from His Majesty's consul at Kerman reporting on the expedition lately led by Sardar-i-Nusrat into Persian Baluchistan, mention of which is to be found in recent monthly summaries from this legation.

Colonel Haig, in a private letter to a member of my staff recently received, sums up the situation in Baluchistan in a few concise sentences which I venture to quote:—

"The campaign has ended in smoke. The formal appointment of Seyyid Khan as governor is very amusing. It is much as though the poor little Dom Manoel were to appoint Senhor Braga as governor of Portugal."

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 377.

Consul Haig to Sir G. Barclay.

(No. 20.)

Sir,

Kerman, July 6, 1911.

I HAVE the honour of addressing you on the subject of the unfortunate failure of the recent expedition to Persian Baluchistan under the command of Sardar-i-Nusrat, and its possible results.

2. The expeditionary force left Kerman for Bam on the 18th February, and, having loitered there for more than a fortnight, left Bam for Baluchistan on the 7th March,

only a fortnight before the festival of the Nauruz, after which date Persian troops cannot be expected, owing to the nature of the climate, to display much energy in Baluchistan. The failure of the expedition was, therefore, a foregone conclusion, unless it could either effect the immediate capture of Bahram Khan, a feat requiring more *élan* and vigour than the force was credited with possessing, or succeed in so attaching the more powerful chiefs of Persian Baluchistan and Mekran to the cause of Persian supremacy that the capture of Bahram Khan might be safely left in their hands. Neither of these measures was effected.

3. The force marched into Bampur, which was undefended, and occupied it, an achievement which I believe, for I was not in Kerman at the time, was locally described in terms which might have applied to the capture of Ciudad Rodrigo or Badajoz. From Bampur it marched about 18 miles to Fahraj, held by Bahram Khan. Here about two months were spent in desultory siege operations varied by futile negotiations, but on the 15th May Sardar-i-Nusrat sent a telegraphic message reporting that he had been joined by Seyyid Khan (Sardar-i-Nizam) one of the leading Baluch chiefs, and the khans of Mekran, with nearly 1,000 men, and that the capture of the fort, and of Bahram Khan himself, was a question of a few days at most. As his optimistic report was not immediately followed by news of the fall of Fahraj it appeared probable that Sardar-i-Nusrat had misconstrued the attitude of Seyyid Khan and the khans of Mekran, and this proved to be the case. It said that Bahram Khan, in the course of correspondence with Seyyid Khan taxed him with bad faith in ignoring their agreement to divide the country between them and in coquetting with Persian officials, and that Seyyid Khan eventually resolved not to desert Bahram Khan. I cannot, of course, vouch for the contents of the correspondence between these two Baluch chiefs, but its result was that Seyyid Khan advised Sardar-i-Nusrat to leave Fahraj and return to Kerman, as the weather was hot and unhealthy, and his troops were already suffering from its effects, and that Sardar-i-Nusrat accepted this advice and retreated, after appointing Seyyid Khan governor of Baluchistan.

4. An attempt is now being made to represent this small campaign as a successful military operation, on the ground that Sardar-i-Nusrat succeeded, while in Baluchistan, in recovering on account of the revenue due to the Persian Government the equivalent of 2,000 tumans, and obtained from Seyyid Khan bonds for 40,000 tumans and 3,800 kharwars of grain on the same account. These recoveries, actual and potential, represent only the revenue of the current year, for the local government decided, before the expedition started, that it was not strong enough to insist on the payment of the arrears of the three years during which Baluchistan has paid no revenue. Seyyid Khan has qualified his bonds by a verbal statement that he will remit to Kerman one instalment of the revenue, but that no further remittance will be made unless a second and stronger expedition is sent to Baluchistan. It is doubtful whether this stipulation is to be interpreted as an admission by Seyyid Khan of his inability to collect the revenue without help, or as an intimation that if the Persian Government want revenue they must collect it for themselves, but whichever interpretation be correct the result is the same. Seyyid Khan will not fulfil his obligations without, at least, a show of force by the Government.

5. The net results of the expedition may be summed up as follows:—The rebel against whom it was primarily directed has been left in possession of his stronghold, a chief of doubtful fidelity has been appointed governor of the province, an insignificant sum, absurdly disproportionate to the cost of the expedition, has been collected on account of the large arrears of revenue due, and bonds of doubtful value have been taken from the newly-appointed governor for some of the balance. The expedition has doubtless served to remind the Baluchis that the Persian Government still regards them as its subjects and expects them to pay revenue, but unless it is followed in the autumn by an expedition sufficiently strong to seize all rebels in arms the Baluchis will almost certainly conclude that the Government has done all that it is willing or able to do to reassert its authority and has failed in the attempt, and the prevalence of such a belief among these people might have serious effects in the province of Kerman.

I am, &c.

T. W. HAIG, Lieutenant-Colonel.

Enclosure 2 in No. 377.

Consul Haig to Sir G. Barclay.

(No. 22.)

Sir,

Kerman, July 12, 1911.

I HAVE the honour to inform you, in continuation of my despatch No. 20, dated the 6th July, 1911, that Bahram Khan is said now to have surrendered, not to the Persian Government, but to Seyyid Khan Sardar-i-Nizam. Seyyid Khan has, I am informed, written to the local authorities in Kerman reporting that Bahram Khan, having come out of Fahraj, visited him and stayed with him for five days in Bampur. He added that Bahram Khan had surrendered the fort to him, regarding him as his master and leader, and that he had explained that he could not surrender it to the force sent by the Government owing to the presence with it of two Baluch chiefs. The fort has not been surrendered unconditionally, for Bahram Khan had the effrontery to demand that he should be compensated for the loss that he had suffered in the course of the operations which the Persian Government had undertaken against him, and Seyyid Khan, who is supposed to represent the Persian Government in Baluchistan, acceded to the condition. Seyyid Khan has now allowed Bahram Khan to go into the Saravan district to collect the revenue.

2. It is, of course, impossible to regard Bahram Khan's act as one of submission to the Persian Government. The whole proceeding is merely a rapprochement between these two Baluch chiefs, and Seyyid Khan's share in it amounts to a betrayal of the interests of the Government which he professes to serve. It appears probable that very little of the revenue now being collected in Baluchistan will ever reach the coffer of the Persian Government, but it is not unlikely that the two khans may remit to Kerman a dole sufficient to provide the local government with an excuse for refraining from sending a second expedition into Baluchistan, and the distaste of the local military officers for hardship and danger will induce them to represent the alliance between Bahram Khan and Seyyid Khan as a satisfactory conclusion to the rebellion. The dispatch of a second expedition is now, however, more necessary than ever, but the task before such an expedition will be considerably more difficult than that which was entrusted to Sardar-i-Nusrat, for the Persian troops will now, probably, have to meet both Seyyid Khan and Bahram Khan in the field.

3. As I write I learn that the retreat of the Persian troops and the alliance between Seyyid Khan and Bahram Khan have already borne fruit. Two raids have been made into Narmashir, some cattle have been lifted, and two women carried off.

I am, &c.

T. W. HAIG, *Lieutenant-Colonel.*

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No. 378.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 128. Confidential.)

Sir,

Gulahck, July 27, 1911.

I have the honour to transmit copy of a despatch addressed by His Majesty's consul-general at Meshed to the Government of India on the state of North-West Afghanistan.

I have, &c.

G. BARCLAY.

Enclosure in No. 378.

Major Sykes to Government of India.

(Confidential.)

Sir,

Meshed, July 7, 1911.

I HAVE the honour to inform you that I have taken advantage of the presence at Meshed of Mirza Mahomad Aslam Khan, the able Herat news-writer, to have several conversations with him, and in this letter propose to give some impressions of the state of affairs prevailing in the north-west of Afghanistan.

2. The value of property is an index to prosperity, and my informant states that

house property in Herat has doubled in value during the last eight years, while agricultural land in some cases sells at five times its former value. This was also the case at Meshed until the era of disturbances set in. Another sign of prosperity is the enormously increased use of tea and sugar.

3. The governor, Mohamad Sarwar Khan, is a man of seventy and most energetic. He tries as far as possible that he alone shall rob, and punishes all cases of embezzlement and robbery which, however, continue to be very frequent. There is, generally speaking, much less severity displayed than under the iron rule of the late Ameer.

4. New ideas have made but little progress, and there is no change whatever in the schools. The general opinion is that Persia is doomed within a year or two owing to its attempt at constitutional government and foolish love of new ideas. There is no newspaper, and no one, not even an official, is allowed to subscribe to Persian or other newspapers. In this connection I send the Governor of Herat Persian newspapers, and also the English illustrated papers with descriptions in Persian, still the universal tongue except in the army, and the news-writer is sure of the warmest welcome when he brings his budget of news to his Excellency.

Recently, as mentioned in my diary, an Afghan agent was specially sent to Meshed to report on the state of affairs in Persia. He reported that Tehran was being besieged by the Solat-u-Daula; that one of the ex-Shah's brothers had captured Tabreez and was marching on Enzeli; and that another had raised a force of 30,000 men and had captured Hamadan and other cities. This report speaks for itself, and the deep ignorance prevailing in Afghanistan is increased by restrictions on travel which is, more or less, only enjoyed by ignorant camel-drivers, or Berberis (Hazaras). In this connection pilgrims have to give full security that they will return before they are allowed to start.

5. Mullas have less power than in Persia; but recently the Governor began to persecute Shias in various ways. However, the Ameer has apparently disapproved of his action, as the Shias are once again being left in peace.

6. The army, about which the news-writer collects detailed information for the military attaché, is very like that of Persia so far as the officers are concerned, although they are not the poltroons that command the troops of the Shah. They serve to any age, in which connection the chief of the artillery is over 90 and requires two men to aid him when he walks. Our Meshed artillery general is of the same age and equally infirm. The guns are occasionally fired, but there is no musketry training whatever. The soldiers receive their pay regularly every two months, and believe they owe it to the British subsidy. Their uniform is closely modelled on the British. At Kabul there is believed to be greater efficiency, but, so far as can be judged, the difficulties of a campaign in Afghanistan would be lessened by their attempt at creating a regular army.

7. Generally speaking, the feeling against Russia is strong, and their recent repeated violation of the frontier has been commented on most bitterly in open durbar. The feeling towards Great Britain appears to be improving, although the position in this respect cannot be considered to be entirely satisfactory. The news-writer is still watched, but in rather a perfunctory manner.

8. In conclusion, I venture to draw the attention of the Government to the excellent services of Mirza Mahomad Aslam Khan, the news-writer who, although watched and suspected, continues to do remarkably good work, makes no complaints, and is a *persona grata* with the Afghan authorities, in which connection I am recommending him for the title of Khan Sahib.

9. I am sending a copy of this letter to His Britannic Majesty's Minister at Tehran. I have, &c.

P. M. SYKES, *Major, His Britannic Majesty's
Consul-General and Agent to the
Government of India in Khorasan.*

[33740]

No. 379.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 129.)

Sir,

Gulahck, July 27, 1911.

WITH reference to my telegram No. 277 of the 22nd instant, I have the honour to transmit herewith copy of the note addressed to me on the 21st instant by the

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Minister for Foreign Affairs, enclosing a copy of the martial law proclamation (a translation of which is also attached).

I further enclose a copy of the note I addressed to the Minister for Foreign Affairs on the 24th instant, drawing his attention to our treaty rights as to inviolability of domicile, upon which I insisted on behalf of British subjects residing here, and I believe that the other legations have taken a similar course in this respect.

The proclamation of martial law brought about an influx of refugees into the village of Zerguendeh, where my Russian colleague exercises jurisdiction as I do in Gulahek, and though the persons who have sought Russian protection are not technically in bast, the Persian authorities cannot arrest them there.

On the 23rd instant, soon after martial law had been proclaimed, the police under Yeprem proceeded to effect several important arrests, including that of Mejd-ed-Dowleh, K.C.M.G., and Amin-ed-Dowleh. The arrest of the former was attended with some bloodshed, and the following morning some thirty women, eunuchs, &c., belonging to Mejd-ed-Dowleh's harem took bast at the Russian Legation, bringing with them the bodies of a man and woman who had been killed by the police in the affray the day before, and three wounded persons. The Russian Minister reluctantly admitted them into the legation precincts. Two days later some other female relatives and a brother of Mejd-ed-Dowleh succeeded in entering the legation grounds at Gulahek, declaring that they had come to take bast. They were, however, persuaded to leave, and orders have been given that the gates both in town and here are to be kept closed, and no one admitted to bast unless in imminent and visible danger of life.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 379.

Mohdashem-es-Sultaneh to Sir G. Barclay.

Your Excellency,

Tehran, July 21, 1911.

I HAVE the honour to inform your Excellency that from Saturday the 22nd July martial law will be established at Tehran, and I enclose herewith a copy of the articles of the law passed relating to martial law. I trust your Excellency will instruct British subjects to refrain from opposition to the constitutional Government. If meetings are held in their houses the Government will have the right to detain the persons who attend such meetings, and respecting the householders themselves action will be taken in conformity with treaties and custom.

I avail, &c.
MOHTASHEM-ES-SULTANEH.

Enclosure 2 in No. 379.

Bill for the Proclamation of Martial Law as Passed by the Medjliss at its Extraordinary Sitting on Wednesday July 19, 1911.

(Translation.)

AS in view of the emergencies of the occasion the Council of Ministers deems the proclamation of martial law necessary, it puts before the Medjliss the following articles, and demands their immediate approval:—

Article 1. From the time that martial law is proclaimed, affairs which concern public security and tranquillity shall, with the approval of the Council of Ministers, be carried out through the Ministry of War.

Art. 2. Temporary courts-martial must be instituted, so that they should promptly and with severity investigate offences, and steps which are contrary to public security and tranquillity.

Art. 3. All the judges of the courts-martial must be military men.

Art. 4. Persons who take active steps against the constitutional Government and the public security and tranquillity, and whose guilt is proved, will be sentenced to death.

Art. 5. The executive power has the right to arrest persons who may be suspected of being opposed to the constitutional Government and public security and order, and (such persons) having been arrested, their trial will then be held. If in the trial the

suspicion (entertained) should not be totally cleared, the suspected persons will remain under arrest, and after the expiration of martial law will be surrendered to the Ministry of Justice.

Art. 6. Should the members of the courts-martial think it desirable to lessen the punishment of a culprit, they will have the right to request this from the Regent through the responsible Ministers; and excepting the said members no one whatever has the right of such intercession.

Art. 7. In the event of suspicion the representatives of the Government charged with the maintenance of order in the town have the right of entrance and investigation into the houses. In the event of opposition and resistance, they can enter by force, and those showing opposition and resistance will be forcibly arrested, and in accordance with the order of the court-martial will be severely punished.

Art. 8. If the newspapers and (any) publications should publish allegations against the actions of the Government they will be suppressed, and their offices will be closed. In the event of their having made provocations against the Government, those directing the affairs of such newspapers and publications, will, with the editors, in accordance with the order of the court-martial, be punished.

Art. 9. Punishments affecting employés of the Government and those who have been directing the affairs will not be commuted.

Art. 10. All gatherings and associations (of people) must be postponed and discontinued while martial law is in force. If a gathering is convoked it must immediately, on the first warning of the police, disperse, and in the event of opposition or resistance those guilty of such will be made to appear before a court-martial and will be sentenced to punishment. If a part or the whole body of such gatherings are armed, those armed must be arrested at the time of warning and punished in accordance with the sentence of the court-martial.

Art. 11. The carrying of arms of any kind is strictly forbidden to all except the representatives of the Government who are charged with the maintenance of public order and security. In the event of any other person except representatives of the Government being seen carrying arms they will be confiscated by the Government, and the bearer of such arms will be punished in accordance with the order of the court-martial.

Art. 12. Government representatives who may give out the contents of Government telegrams and despatches will be made to appear before a court-martial and will be rigorously punished.

Art. 13. The proclamation of martial law will be made in those parts of the country where the Government may think it to be needed.

Enclosure 3 in No. 379.

Sir G. Barclay to Mohdashem-es-Sultaneh.

Your Excellency,

Gulahek, July 24, 1911.

WITH reference to your Excellency's note of the 21st July, I have the honour to inform your Excellency that I shall instruct British subjects to refrain from all acts calculated to disturb the peace. At the same time I must point out to your Excellency that clause No. 7 of the Martial Law Act is contrary to treaty rights, and I must request your Excellency to give orders that the authorities should not enter the houses of British subjects without reference to this legation.

I avail, &c.
G. BARCLAY.

[31428]

No. 380.

Sir G. Barclay to Sir Edward Grey.—(Received August 10.)

(No. 130.)
Sir,

Gulahek, July 28, 1911.

I HAVE the honour to report that I repeated to His Majesty's consul-general at Bushire the last two paragraphs of my telegram No. 190 of the 28th May last, respecting the situation on the Southern road and the bearing of the Southern Customs statistics upon it.

I have now received a despatch from Colonel Cox—copy of which is enclosed

herewith—forwarding a memorandum prepared by Mr. Chick, which shows that the customs receipts cited by me in the above-mentioned telegram do not really indicate that the outlook for British trade generally has improved.

But even were the statistics, which I quoted, less misleading as regards British trade than Mr. Chick shows them to be, my argument, that the increase of imports through Mohammerah has more than compensated the decrease through Bushire, loses its force now that the disorders which have recently broken out on the Ahwaz-Ispahan road—see my telegrams Nos. 249 and 263 of the 13th and 19th instant respectively—preclude its being used as an alternative channel for our trade to Ispahan, and with the recent recrudescence of robberies on the Shiraz-Ispahan section of the other road, the outlook cannot be said to be hopeful.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 380.

Lieutenant-Colonel Cox to Sir G. Barclay.

(No. 55. Confidential.)

Sir,

Bushire, June 27, 1911.

ON the 25th May, your Excellency was pleased to ask my views on the purport of a telegram from His Majesty's Government, intimating that British firms trading to Persia, referring to the question of the state of the trade routes, complained that, so far from there having been any improvement since the presentation of the British note of October 1910, matters had become steadily worse.

In reply I expressed the opinion that the present complaints of the British firms must be based on postal information now stale, and that so far as my jurisdiction was concerned there had been some improvement, the direction of which I specified.

Then, on the 15th June, at your Excellency's desire, I telegraphed the figures for the value of trade entering and leaving Bushire during the year ending the 21st March, 1911. I am not sure whether those figures were needed merely for periodical trade returns or in connection with the complaints of British traders and the state of the roads.

I venture, therefore, to submit, for your Excellency's information, a note drawn up by Mr. Chick explaining, independently of the trade route question and customs statistics, the actual plight of British traders at the present epoch.

It shows that while, as far as the security of the routes is concerned, the British firms were not accurate in saying that things had got steadily worse, yet, if they had said that the state and outlook of trade generally had not improved they would have been correct, and of the said state, neither the customs figures nor the momentary improvement on the road afford a fair index.

Mr. Chick shows that the argument, that what was not coming through Bushire was passing via Ahwaz, is a fallacy, because the Ahwaz route cannot compete with the additional traffic, and there is hopeless congestion—goods lying for months on the road. He points out too that, another primary cause of the existing depression is the fact that owing to the generally chaotic state of the provinces, apart from the road, Ispahan and Shiraz are no longer, as at normal times, radiating centres of distribution, and so that branch trade is lost. I will not, however, repeat his arguments, but leave them to tell their own tale.

As regards the Bushire-Shiraz section of the route, the position is still as it was a month ago—the road is fairly safe at the time of writing, and seems likely, now that the Kurshid Beg affair has been adjusted, to improve. For the rest, we have decided to give Nizam-es-Sultaneh a little more law, in which it is hoped the Kawami knot will be straightened out and the governor-general afforded a final opportunity for making effective arrangements for the policing of the route. At present these by no means exist.

I have, &c.
P. Z. COX, *Lieutenant-Colonel, British Resident in the Persian Gulf, and His Majesty's Consul-General for Fars, &c.*

Enclosure 2 in No. 380.

Note on British Trade as affected by the Insecurity on the Bushire-Ispahan Road.

Position of the Manchester Firms Exporting to Southern Persia.

THE trade losses resulting from the insecurity prevalent along the "Imperial" route in the past three to four years have not been equally distributed over all classes of goods, nor, in consequence, amongst all importers. The actual selling powers of dealers in many classes of goods have been little impaired, although all alike in Bushire and Shiraz have suffered from the deplorable financial effects of the continued insecurity. It is by its indirect results that this state of affairs must be condemned; it has reduced nearly all petty native merchants, many of them direct importers of piece-goods, &c., and men considered sound four years ago, to bankruptcy, or a state bordering on it. These failures have not only involved the British exporters of piece-goods, &c., in losses, but have tied up their own sales to an extent almost equal with actual robberies on the caravan road.

Piece-goods, the largest item of import into South and Central Persia, have suffered worse relatively than anything else; sugar, for instance, and tea and rice, being necessary comestibles, always command a sale, insecurity or no insecurity; sugar especially, being of less value for weight than piece-goods, can better afford to run risks of robbery on the road, and in any case the sugar imported through Bushire is destined for Fars, and sales in Ispahan are but a side issue. But the purchase of clothing amongst tribesmen of the south is in many cases a luxury, and the impossibility, owing to the risks involved, for pedlars and petty traders to carry on business amongst the tribespeople and small villages has almost stopped the import of some styles of goods.

The piece-goods trade as carried on by British firms in Persia was, and is still to a large degree, done on a credit basis. The insecurity has reacted on this system in two ways: firstly, the employment of a running system of business had obliged the local importers to continue importing to save themselves from insolvency, and in the hope of better times, yet no improvement in the security has set in; secondly, and pursuant, the more protracted the insecurity has become the greater have been the financial losses sustained by British firms from Persian buyers unable to maintain or retrieve their position.

For this reason the Manchester exporters of piece-goods would be fully justified in complaining that the state of trade indicated no improvement in the security of the "Imperial" route, or in Fars generally, and from their point of view the entire absence of confidence and the general insecurity which pervades the condition of trade are equally as crippling, perhaps more so, than an active state of insecurity, exemplified by frequent robberies from caravans. In the latter case, despite robberies and claims put in, actual forwardings along the road may proceed freely; in the former, a dearth of mule transport, as the result of fears of insecurity and losses incurred by muleteers, or the congestion of the bazaars owing to the districts outside the towns being out of control, or mere waiting for the promised improvement, which never comes, upsets business altogether.

British trade in Persia is principally in the hands of a few firms, most of them established many years and highly respected, and their products, especially in cotton-goods, have at present an assured position in Persia.

Persian business is practically closed to firms outside these exporters, and were this condition of insecurity to continue and become so intolerable financially as to cause these firms to withdraw from the Persian market, their place could not be refilled, and the field would fall to Russian piece-goods from the north, and a general scramble of continental and English goods from the south.

Manchester, however, says that its export trade to Persia—from 1,000,000l. to 1,500,000l. in normal times—is one of those important little items which help to keep going the cotton industry. The interests of the Manchester firms engaged in the Persian trade therefore deserve special attention in the present crisis.

The Persian Customs Administration seems inclined to quote its totals as proving that British trade is not suffering particularly from the ill-effects of the continued insecurity; that trade is better on the whole than in 1910; and that in any case the Bushire-Shiraz road need not be too seriously considered, as the Lynch Road is

[1505]

replacing it and making up for any loss along it. Without analysing the customs figures (which are distinctly unreliable as regards values) such comparisons are manifestly unfair to the British firms. In fact, we have to go to the British firms themselves if we wish to arrive at a true comparison between their trade now and, say, four years ago when imports were at a fair average.

Taking first the customs statistics, the weights (which afford a truer comparison than values) of Manchester goods imported were, during the years:—

	To Bushire.	To Mohammerah.	Total.
	Tons.	Tons.	Total.
March, 1907-8	2,566	639	3,205
" 1908-9	1,723	419	2,142
" 1909-10	1,013	260	1,273
" 1910-11	1,364	729	2,093

[British Trade in April-May 1911, as compared with October-November 1910.

The Manchester firms have recently complained to the Foreign Office that the state of security is "worse than ever." Judging by the results on Manchester exports, a comparison between the customs statistics for the two months October and November 1910 (the period including the presentation of the British note and the commission of a large number of robberies) and the two months just elapsed, April and May 1911, shows that for Bushire and Mohammerah the improvement was unappreciable:—

	October and November 1910.	April and May 1911.
	Tons.	Tons.
Bushire	172	191
Mohammerah	201	221

Four of the principal firms importing Manchester goods at Bushire have furnished confidentially the following figures of their imports of cottons into Bushire during the two periods above mentioned, and they go far to prove that the firms are right in thinking their business in April and May 1911 no better than in October and November:—

	No. 1.	No. 2.	No. 3.	No. 4.	Total.
	Bales.	Bales.	Bales.	Bales.	Bales.
During October and November—					
1907	1,166	552	259	1,167	3,144
1908	991	210	347	618	2,166
1909	194	68	745	1,217	2,224
1910	187	138	444	160	929
During April and May—					
1907 .. ..	..	..	..	3,160 (one firm)	..
1908	1,477	576	97	806	2,956
1909	738	157	144	685	1,724
1910	513	120	88	770	1,491
1911	324	115	333	158	930

A fifth Manchester firm, which, though only a newcomer to Southern Persia, claims to import nearly 250,000*l.* worth of cottons to Western Persia annually, had imported 104 bales in the four months specified in 1907; in 1908, only four bales; in 1909, five bales; and in 1910, none.

Though this report deals with Manchester cotton goods more especially, it may be

mentioned that one of the British firms cited above gives the following figures for their imports of all classes of goods to Bushire:—

	October and November.	April and May.
	Packages.	Packages.
1907	3,397	..
1908	4,439	2,459
1909	5,559	4,520
1910	2,365	3,526
1911 .. ..	..	2,048

(These figures include sugar sold locally in Bushire.)

and remarks, "You will note the marked decrease as the Shiraz-Ispahan roads became more and more disturbed."

The various figures given above would appear to provide sufficient evidence that the trade of the Manchester firms were suffering just as badly in April and May 1911 as in October and November last.

Position of the Ahwaz-Ispahan Road in connection with the Import of British Cottons.

Recent customs statistics have also been quoted to demonstrate "that the decrease in Bushire receipts is more than counterbalanced by the increase in Mohammerah and Bunder Abbas figures" (over the previous year's figures).

If these "receipts" refer only to the customs revenue, which is taken under a very inequitable tariff, they can hardly be held to illustrate the comparative imports of British goods—cotton goods in particular—via Mohammerah and Bushire; for instance the fact of 500 chests of opium being exported from Ispahan via Ahwaz, instead of via Bushire, would alone make a difference of 5,000*l.* in customs revenue. The export of wheat and other purely coastal products must also have added to the revenue.

Comparative statistics of the value of all imported and exported goods during the past two years give the following result:—

	Bushire.	Bunder Abbas.	Mohammerah.	Total (Bunder Abbas and Mohammerah).
	£	£	£	£
1909-10—				
Imports	717,091	340,363	300,000 (approximate)	..
Exports	400,892	201,871	217,976	..
Total	1,117,983	542,234	517,976 (approximate)	1,060,210
1910-11—				
Imports	675,614	436,981	557,079	..
Exports	348,950	205,035	228,528	..
Total	1,024,564	642,016	785,607 (approximate)	1,427,623

The increase in the united values of Mohammerah and Bunder Abbas trade for 1910-11 can therefore be ascribed very largely to the latter port, the trading operations of which rarely extend beyond Kerman and Yazd, and cannot be said to affect those of Bushire and Mohammerah, yet a fair comparison of Bushire trade can really only be obtained by going back to 1906-7 and 1907-8 (when the figures were 400,000*l.* to 500,000*l.* more than in 1910-11).

Moreover, it can be conclusively proved, as regards the import of cotton goods from the United Kingdom, that the quantity now passing over the Ahwaz-Ispahan road does not counterbalance the decrease in the quantity of goods nowadays imported via

Bushire as compared with that normally so imported (1,200 tons less than in 1907-8):—

(a.) The Mohammerah import statistics for the year March 1910-11 show 729 tons of cotton goods as against 260 tons imported into Arabistan in 1909-10.

(b.) One principal British firm forwarded from Bushire:—

	By Shiraz-Ispahan.	By Ahwaz-Ispahan.	Total.
	Bales.	Packages.	
In March 1909-10	3,081	..	3,081
" 1910-11	3,225	..	3,225
" 1910 (6 months) .. ..	..	800	800
" 1911 .. ..	..	350	350

(c.) A second British firm imported during March 1909 to March 1910:—

	By Shiraz-Ispahan.	By Ahwaz-Ispahan.	Total.
	Bales.	Bales.	Bales.
1909	909	1,464	2,373
1910	1,965	967	2,932
1911 (6 months)	786	46	832

(d.) The total number of bales of piece-goods arrived at Ispahan over the Ahwaz road was for the year:—

1909-10	Bales.
1910-11	4,187
	4,339

The above figures also show that little increase took place in the imports via Ahwaz in 1910-11, as compared with 1909-10.

The fact of the matter is that the Ahwaz-Ispahan road cannot cope with the merchandise forwarded for dispatch along it. The supply of mule transport and other facilities is too deficient, muleteers still seeming to prefer to work elsewhere. Further, it is closed for transport for a long period in the cold weather.

The congestion of goods and delay at various points, notably Ahwaz, have recently become chronic, and the state of affairs on that road is almost as serious for importers up-country as the insecurity along the Shiraz-Ispahan route. All British agencies in Bushire, and Persian agents too, complain that their Ispahan agencies cannot get goods up by the Ahwaz road.

Messrs. Ziegler's agent writes:—

"It is true the Ahwaz road has helped us, but from three to five months in the year the route to Ispahan is impassable by mule caravans Not only is Bushire, if not singly, certainly jointly with Ahwaz, a necessity for Ispahan forwardings, but it is the only route to Shiraz, which town, as you are aware, was taking an increased quantity of British goods year by year into actual consumption prior to the disturbances in its neighbourhood."

The Imperial Bank of Persia at Mohammerah recently stated that arrears of unforwarded goods lying in Ahwaz would keep the agency busy till snow blocks the road again in the winter, and it would be useless to forward fresh goods for several months.

I have also seen a letter written by Messrs. Lynch Brothers, of Ahwaz, to a British firm, dated the 3rd April, 1911:—

"The spring transport has just commenced, the road being at last open. We regret to inform you that your opium has still not come to hand. From information received from an Ispahan message just arrived it appears that there is a lot of opium lying somewhere near Dopulan."

It may be added that the opium in question was dispatched from Ispahan in the end of November 1910—seven months ago! Similar delays are occurring to piece-

goods proceeding up-country. Messrs. Ziegler wrote from Ispahan in the middle of May:—

"We have on the Ahwaz road goods abandoned which were due here last December, but so far there is no sign of our getting the goods;" and it seems to be thought that Messrs. Lynch Brothers will be unable to accept and deal with another package for forwarding for another three months. In Ispahan agencies are telegraphing Manchester not to ship for the present as there is so much on the road. One firm—in strict confidence—have stated that they have held goods back that were to have gone by a certain steamer, and shipped not a single package to Ahwaz or Bushire for Ispahan.

In the face of this evidence (Messrs. Lynch's own letter even) it is impossible to contend that the Ahwaz-Ispahan road is working satisfactorily for British trade in Central Persia, and, still less, that the traffic taken by it is counterbalancing the decrease of British trade along the Shiraz-Ispahan route. As stated above, the Shiraz-Ispahan road would be in any case a necessity side by side with the Ahwaz road. As far as British piece-goods are concerned, the Ispahan radius appears to be starved.

Russian versus British Trade in Cotton Goods.

The closure owing to the insecurity of the one route, and the congestion and prolonged impassability of the other route, means—for British goods (principally Manchester goods) with the radius of the Ispahan selling area and northwards—a heavy loss of market. While British goods are hindered from arriving, Russian goods are coming in freely by the north and are gradually supplanting British goods and spreading southwards.

I have not seen the published statistics of the Persian Customs for March 1910-11, but economic conditions prevailing in the south during that period and southern statistics make it probable that the following change has been accentuated during 1910-11:—

	From United Kingdom into all Persia.	From Russia to all Persia.
	Tons.	Tons.
March 1908-09	9,734	3,579
March 1909-10	7,860	4,897
Decrease	1,874	..
Increase .. ..	..	1,318

The area in which this increase of Russian goods and decrease of British goods has taken place is not in the west but in Central Persia, and Manchester exporters to Ispahan are suffering.

Prospects of Improvement on the "Imperial" Route.

The present condition of business will soon become intolerable: already in the case of more than one important firm exports have shrunk to negligible quantities. The great obstruction to imports from the south being distributed to the principal centres radiating from Shiraz is the impassability of the Shiraz-Ispahan road. The telegraph officer at Dehbid telegraphed on the 6th May that the roads north and south of Dehbid were far from safe: caravans from the south averaged one every two months, and only with a strong escort. Last to pass on the 14th April had an escort of seventy mounted Cossacks and one regiment of soldiers! The last from the north was a small donkey caravan unescorted, and robbed 8 miles north of Dehbid.

I submit that Nizam-es-Sultaneh has done nothing visible to improve the state of security along the Shiraz-Ispahan route, and he must be perfectly aware that the "troops" sent to Shiraz are useless for the task. As regards the Bushire-Shiraz section he has relied so far on the assistance of the Kashgai tribe, and now that they have migrated north we may look for trouble. Again, Nizam-es-Sultaneh has been generally blamed for his uncalled-for and pre-intended attack on the chief of Kumarij, who has always treated muleteers considerably. The result has been that, the

expedition having proved abortive, Khurshid Beg has already retaliated by making several small attacks on caravans: several men have been killed in affrays near Kazerum on the 24th May. On the 26th May he carried off six loads of merchandise, together with mules; in the first week in June eleven loads of carpets, and on the 9th June the post, four loads piece-goods, and one load of opium were taken 20 miles north of Kazerum.

In conclusion, I will refer for a moment to the levy of "Rahdari" in various forms along the route.

It will be seen from the representations of the muleteer community to the "merchants of Bushire" in the petition of the 3rd April, of which I attach a copy, that the total of the exactions of this nature being levied up to that time was no less than the amount reported in the appendix to the memorandum sent to the Foreign Office with Colonel Cox's No. 7, Commercial, of the 18th July, 1909.

H. G. CHICK,
Commercial Adviser.

Enclosure 3 in No. 380.

Petition addressed to the Merchants of Bushire by the Muleteers, dated April 3, 1911.

(Translation.)

It is not hidden from you that it is beyond the power of imagination to describe the oppression used on the road which has totally ruined and impoverished us. Nothing has been left for us but distress, and if we do not altogether discontinue this business it is because of the great debts (in which we are involved) and of our straitened circumstances. If you do not support us in extirpating this oppression, despite the fact that commercial affairs depend on the assistance of muleteers, a great blow will surely be dealt to commerce. Further, it depends on the competence of his Excellency the Governor-General of Fars to afford us redress, and you can by this means remove the tyranny and oppression. Should you, God forbid, procrastinate and vacillate, you will not only wrong him but in future, when the apprehension caused by his Excellency's arrival wears off, and the trepidation of the road officials is decreased, they (*i.e.*, the khans along the road) will of course augment their tyranny, and nothing can surely be done.

The oppression which we have to undergo nowadays, from the point of departure at Bushire to the centre of Fars, and the amounts usually taken from us along the road, are as follows:—

	Per Mule.
	Krs. c.
Bushire gate	1 35
Chogadak and tufangchi	0 80
Ahmedi (allafi and tufangchi)	1 25
Isawandi (tufangchi)	0 50
Khushab (allafi and tufangchi)	0 10
Borazjun (tufangchi)	2 25
Borazjun Borders (sarbishah, tufangchi)	0 25
Daliki and Sar-i-Pul (tufangchi and allafi)	1 50
Kotal-i-Malu (tufangchi)	0 25
Konar Takhte, Banaki, and Jaafarjin, two leagues (allafi and tufangchi)	3 10
Charoon and Kumarij (four stages)	0 50
Daris (allafi and tufangchi)	0 60
Border Tower of Kazerun (tufangchi)	0 25
From Kazerun to Shiraz, &c. (tufangchi)	3 00
Total	15 70

The sums stated in the above list are usually recovered on each mule. It is hardly necessary to detail what is recovered under different pretexts as extraordinary impositions, and you will surely be grieved to know what is done to us, the oppressed, and what a life of hardship we lead.

It is hoped that you will not fail to afford us every assistance.

[31429]

No. 381.

Sir G. Barclay to Sir Edward Grey.—(Received August 10.)

(No. 131.)

Sir,

Gulahck, July 28, 1911.

IN my despatch No. 120 of the 12th instant I reported that there had recently been much talk of, and some evidence of, activity amongst Mohammad Ali Mirza's friends.

I had hardly drafted that despatch when I received a visit from Muin-el-Vezireh, "chef de cabinet" of the Minister for Foreign Affairs, who came with a message from his Excellency to inform me that a favourite of the ex-Shah, who had been in bast with His Majesty at the Russian Legation, and had accompanied His Majesty into exile, Mojalal-es-Sultan, was visiting the Shahsevens on behalf of Mohammad Ali Mirza, and that another favourite of His Majesty, Sardar Arshad, and two companions had arrived at Baku, and were giving out that Mohammad Ali Mirza would return to Persia within a fortnight. A similar message having been conveyed to my Russian colleague, we decided to telegraph recommending our Governments to warn the ex-Shah, who, the Persian Government had informed us, was at Vienna, against intriguing in Persia. Unfortunately the information given us by the Persian Government came too late to be of any use, for on the day it was given the ex-Shah must have already left Vienna. As will be observed from my despatch No. 123, the Persian Government informed us of His Majesty's departure from Vienna on the day after His Majesty had landed in Persia.

On the 16th instant Mr. Churchill had occasion to see the Regent. He found His Highness much perturbed by the turn Salar-ed-Dowleh's movement in Kurdistan had suddenly taken. This Prince had been in revolt for some time, having crossed over from Turkey, but his attempts to provoke a rising, which had been generally attributed to Turkish instigation, had so far not been attended with success. News had just reached the Regent that Salar-ed-Dowleh had seized Senneh, where he had proclaimed Mohammad Ali Shah, at the same time telegraphing to the Medjliss to invite His Majesty to return to Persia. The Regent enquired, through Mr. Churchill, for His Highness's private guidance whether, if Mohammad Ali Mirza attempted to regain the throne, the two Powers would prevent him by force. I saw M. Poklewski in the afternoon, and discussed our answer. We decided to reply that we could not give His Highness the definite guarantee he desired without instructions, but M. Poklewski, having just received from his Government by post the substance of an answer returned by the Russian Government to certain secret emissaries from the ex-Shah, who had recently visited St. Petersburg, was able to explain to His Highness that the policy of the Russian Government was one of strict neutrality, and that the ex-Shah had been told that he would receive no material nor moral support from them in any attempt to regain the throne, and that he would forfeit his pension, and the Russian Government would not make it good. Mr. Churchill delivered this message to the Regent on the evening of the 16th, and His Highness appeared to be quite satisfied.

On the 17th instant the ex-Shah landed at Gumish Teppé with a few followers, amongst whom were his brother Shoah-es-Sultaneh, Amir Bahadur, and Saad-ed-Dowleh. I have little information regarding his proceedings since his landing, but the Russian Minister tells me that his consul has reported that His Majesty entered Astrabad on the 20th instant, where he was received with enthusiasm. At the moment of writing news reaches me through the Persian Government that a force of his Turkoman adherents had seized and looted Shahrud.

From reports received from the provinces it is clear that the ex-Shah's return is by no means generally unwelcome. In the north the Turkoman tribes and the Shahsevens may be counted on to support Mohammad Ali. Mazanderan, which, since the revolt mentioned on page 15 of the last annual report, has been almost wholly out of the control of the central Government, is reported to be entirely for His Majesty, with whom Amir Mukarram and his co-rebels, Reshid-es-Sultan and Ismail Khan, are said to be in communication. From the West news has reached the Government that the Kalhurs and other tribes, as well as the Vali of Pushti Kuh, have declared for Salar-ed-Dowleh. The Kashgais have not yet declared themselves, but a loyal telegram to the central Government from Nizam-es-Sultaneh, who might perhaps be thought to voice Soulet-ed-Dowleh's views, does not entirely remove the uneasiness as to the attitude of this tribe, nor, as regards their rivals, the Bakhtiariis, although Sardar Assad's branch are supporting the Government and have promised forces to aid in resisting the ex-Shah,

is there any certainty that the other branch of the tribe who fought on Mohammad Ali's side at the time of the revolution will be with them.

In the larger towns the feeling seems to be "anything for a change." The disorders which marked the late reign are no longer a lively memory, and the state of things in the provinces is to-day by no means better than when Mohammad Ali was on the throne. Even in Tabreez, the birthplace of the revolution of 1909, the acting-consul predicts a feeling of relief amongst the better classes when His Majesty's landing, which has not been made public in the town, becomes generally known. In the capital, as far as I can judge, the feeling is very different. Mohammad Ali has, I believe, few adherents outside of the class from which were drawn the higher officials of the late corrupt régime; but I express this view with some diffidence as it is not shared by my Russian colleague, who thinks that the new régime has few friends in the capital outside of official circles. *A priori* reasoning leads me to doubt the correctness of my colleague's view, for whatever may be said of the provinces, the state of public order and security in the capital has been incomparably better under the constitutional régime than under that of the ex-Shah, and it is hard to believe that any but those who profited from the wholesale corruption of Mohammad Ali's reign and the disreputable elements which thrived under His Majesty's favour would view his return to power with anything but dismay. At any rate, the feeling of the Medjliss is entirely against him. There is every reason to think that if Sipahdar had not taken time by the forelock and resigned on the morning of the 23rd instant he would that day have been the object of a vote of censure.

During his recent short term of office he remained at his country seat within the limits of Russian jurisdiction at Zergandeh, and in political circles there was widespread indignation at his apathy, if not obstruction, in regard to preparations for resisting Mohammad Ali. To-day there seems no distinction between Moderates and Democrats in the Medjliss. All appear to be supporting the newly formed Democrat Cabinet.

There is much talk of an expedition against Salar-ed-Dowleh under the Bakhtiari khans, Sardar Zaffar and Sardar Jang, and of one under Yeprim against Mohammad Ali, but I do not venture to record any details until there are more tangible signs of these expeditions materialising.

I have, &c.
G. BARCLAY.

[33741]

No. 382.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 132.)

Sir,

Gulabek, August 3, 1911.

WITH reference to your telegram No. 171 of the 31st May, suggesting that His Majesty's consul at Kermanshah should visit Kasr-i-Shirin in order to endeavour to arrange matters with Kerim Khan with a view to the cessation of his interference with the oil company's wells, and to my telegram No. 225, stating that Mr. Wilson would visit Kasr-i-Shirin in the place of Mr. McDouall, I have the honour to enclose herewith copy of Mr. Wilson's report on the subject, the purport of which I had the honour to give in my telegram No. 291.

It will be observed that Mr. Wilson came to the conclusion that the complete removal of Kerim Khan from the district was desirable on many grounds, and that any attempt on his part to come to an amicable settlement of the oil company's dispute would make it difficult for us to make the demand he recommends. For this reason Mr. Wilson, with the full concurrence of Mr. Soane, the company's agent at Kasr-i-Shirin, decided not to visit Kerim Khan.

I will not fail to press the Persian Government for the removal of Kerim Khan as soon as the central Government has recovered some vestige of its authority in the district in question. At present Daoud Khan, who is all powerful at Kasr-i-Shirin, and who, Mr. Wilson thinks, might not be averse to the ejection of Kerim Khan, is with the rebellious Prince Salar-ed-Dowleh, who is in full possession of Kermanshah. Consequently there is nothing to be done for the present.

I take this opportunity of referring to your despatch No. 75 of the 4th July, in which you request my views on a proposal made by the oil company in their letter of the 20th June to the effect that they should come to some pecuniary arrangement with Kerim Khan and give notice to the Persian Government that the amount would be deducted from the royalty payable under article 10 of the concession.

A somewhat similar proposal was made by the oil company with reference to the Sheikh of Mohammerah and deprecated in my telegram No. 9 of the 9th January. The Persian Government would doubtless strongly protest against such a step, which would obviously create a precedent leading perhaps to the ultimate swallowing up of their share of the profits. Their mistrust of the company would be increased, and they could easily find means of hindering the work of the company within the letter of their convention (*e.g.*, insisting on the exclusion of Hindoo labour). Moreover, if the Government had recourse to arbitration, it could easily be proved that their failure to control Kerim Khan at the present juncture is due to *force majeure* and not to the negligence of the central Government.

In my opinion it would be desirable to defer any arbitrary act such as that proposed by the company to emergencies where the company's interests were seriously threatened on an important scale and where the factors were really under the control of the central Government.

I need hardly point out how a violation on the part of the oil company of specific undertakings embodied in its concession would react on the chances of other British companies obtaining industrial concessions from the Persian Government on the basis of a partition of profits.

I have, &c.
G. BARCLAY.

P.S. August 5.—I enclose also copy of Mr. McDouall's despatch mentioned by Mr. Wilson, which has only reached me to-day.

G. B.

Enclosure 1 in No. 382.

Lieutenant Wilson to Lieutenant-Colonel Cox.

Sir,

July 7, 1911.

I HAVE the honour to report that in pursuance of a suggestion of Mr. McDouall of which His Majesty's Minister in Tehran approved, that I should interview Kerim Khan Bajilan Temir in connection with difficulties which have existed for some time between him and the local agent of the Anglo-Persian Oil Company at Kasr-i-Shirin, I proceeded to the latter place from Kermanshah, arriving on the 7th July. It seems desirable that I should submit a report in some detail on the existing situation as I found it, after recapitulating briefly the causes that gave rise to the present troubles. I am encouraged to do so by the fact that the continued activity of the oil company in these regions appears to me to be intimately bound up with the general question of a railway between Bagdad and Kermanshah (regarding which I am submitting a separate report) as well as of the Turco-Persian frontier, Kasr-i-Shirin lying well within the ancient province of Zohab, which the Turks confidently hope, it is believed, to regain as a result of their present negotiations with Persia.

2. On arrival of Mr. Soane, in March 1911, to recommence work on the Kasr-i-Shirin oil-field, Kerim Khan, who was then, as now, in possession of the district, evinced great reluctance to permit any resumption of work by the company; by an agreement of 1905 with the latter, he had been granted the right to remove oil until such date as the company should send a European or commence work of any kind. This privilege was worth about 1,000*l.* a-year to him; he was naturally unwilling to see a sudden cessation of his income from this source and has pursued a policy of consistent opposition ever since, with the result that it is only recently that the company has been able to regain a hold on its property.

4. His hostility, however, has in no way abated, nor are the Anglo-Persian Oil Company the only sufferers: he has for months past been levying road taxes upon all animals on the Bagdad-Kermanshah road, which have recently reached the unprecedented figure of 4 kran per animal in either direction loaded or unloaded. This sum is arrived at as follows:—

	Krans.
Hakk, Kuarsurani, road guards	1
Hakk, Wuguhat, grazing fees on Crown estates*	1
Hakk, Mahyat, revenue contribution	1
Hakk-i-Hukuk, supplementary	1
Total	4

* Lessees of Crown grazing lands are entitled to collect at Kasr-i-Shirin only 6 shahis for each three beasts should they have farmed this tax, but not otherwise. Last year the farmer was a private individual.

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5. He has always been careful to evince no personal animosity to the company's agent, with whom he has remained on ostensibly friendly terms. He has invariably asserted that the frequent hostile acts of his adherents against the company were committed without his knowledge or consent, though there is ample proof that on almost every occasion he has been the actual instigator.

6. Ever since his apparent break, on the 12th June, with Daoud Khan Kalhur, Sardar Muzaffer, by whose favour only he continues to hold office, he has retired as far as possible from public life, and has refused to grant interview to the company's officials, customs director, or local merchants. Whilst abstaining from overt acts of hostility against the company, he has redoubled his tyranny towards the townspeople and the customs officials. On the 16th June two customs menials were stabbed by his men, and no reparation has been made.

7. Under these circumstances it seems unlikely that a visit from me would alter the situation to the company's benefit, and might conceivably have the opposite effect, and I therefore decided, with the full concurrence of Mr. Soane, not to visit Kerim Khan. I felt that it would not be easy for me to come to an amicable settlement of the oil company's difficulties, even were such possible, without in some degree palliating his misdeeds in other directions; in any case a resumption of friendly relations at this juncture would make it difficult for us to take the action suggested in paragraph 8, which is desirable on grounds independent of the oil company's affairs.

The company are now considering the advisability of extending or terminating their activities in the district, and in view of the immediate improvement of the situation that would follow the resumption of work on a larger scale, it seemed undesirable for me to take any action at the present moment, which might operate, even temporarily, to their detriment.

8. In his despatch No. 70 of the 3rd July, 1911, to His Britannic Majesty's Minister forwarding Mr. Soane's letter of the 29th June, Mr. McDouall expressed his opinion that the total removal from Kasr-i-Shirin of Kerim Khan was the only remedy for us to seek. With this view I venture to express my complete concurrence with the proviso that he should be exiled not only from that town but from the Bajilan country.*

9. There is good reason to believe that an order to effect such removal addressed by the Persian Government to Daoud Khan, might not be unwelcome to the latter, who might be relieved to see Kerim Khan ejected, though for personal reasons he seems to feel himself unable to do so on his own initiative. Such removal should be followed by the reinstatement of Sher Khan, Samsam-ul-Mamalik, the present Government nominee, with whom Daoud Khan has recently effected a reconciliation, and whose conduct when in charge of this district has been uniformly satisfactory.

10. Were it deemed desirable to make such a representation there is no doubt that the customs would be very glad to put forward a similar request, a suitable opportunity may be afforded by the expected arrival at Kermanshah of the new Governor General Sardar Mutazid with a considerable force.

11. I am informed by Mr. Soane that there is much talk in Turkish official circles regarding the desirability of regaining the province of Zohab for the Ottoman Empire, and the Turkish consul at Kermanshah was recently endeavouring to utilise the anarchy existing, numerous cases of oppression of Turkish subjects as an excuse for introducing Turkish troops, thus very possibly raising the whole frontier question in a way most inconvenient to us and Persia.

These facts would seem to strengthen the case for Kerim Khan's early removal.

12. I have sent a copy of the letter to His Majesty's Minister and to Mr. McDouall.

I have, &c.

A. T. WILSON, on Special Duty.

Enclosure 2 in No. 382.

Consul McDouall to Sir G. Barclay.

(No. 70.)

Sir,

Kermanshah, July 3, 1911.

IN continuation of my telegram No. 34 dated the 24th June, 1911.

I have the honour to forward a copy of a letter which I have received from Mr. Soane regarding the relations at present existing between the Anglo-Persian Oil Company and Kerim Khan, which appear to show a temporary improvement.

* The Bajilan country may be said to be bounded by Kasr-i-Shirin, Dar-i-Diwan, Zohab, Sirwan River, Aghdagh Mountains, the two last forming the locally recognised Turkish frontier.

2. As mentioned in my diary of the 19th June, information locally obtained confirms Mr. Soane's view that Kerim Khan has already lost the active support of Daoud Khan, but the latter is not likely to remove him until he has recovered the maliyat.

3. There appears to be a probability that Daoud Khan will later on give the governorship of Kasr to Sher Khan Sinjahi Samsam-ul-Mamalik, the nominee of the Persian Government for the post, whose previous record gives us every reason to hope that his return would put an end to the company's difficulties with Kerim Khan as well as to the disorders now prevalent in the district.

4. I fully concur with Mr. Soane's view that the removal of Kerim Khan is the only true solution of the difficulty; I may add that action in this direction by the Persian Government would give scarcely less satisfaction to the provincial director of customs than to the company, as Kerim Khan constantly interferes with the customs administration in Kasr, and only recently two customs employes were stabbed by his men.

I have, &c.

W. McDOUALL.

Enclosure 3 in No. 382.

Mr. Soane to Consul McDouall.

Dear Mr. McDouall,

Kasr-i-Shirin, June 29, 1911.

I WIRED you yesterday asking you not to come down, if you were contemplating doing so, until you heard from me.

I did this as the position here at present is not very bad. I have managed to quiet Kerim Khan down a great deal, and the salt business, which was serious enough at first, has changed complexion somewhat. Originally he was making salt only within the fence of No. 1 well, but now he has taken a great bulk of his works outside, and probably 80 per cent. of the total salt is outside, apart from which he has withdrawn opposition to my people making salt themselves, which they do, so that, though the fact remains that he has, and is trespassing to evict him from the No. 1 fence at present would in no way secure to us the salt monopoly, and as soon as your back was turned would probably result in renewed opposition in other directions.

The market, of course, I cannot touch as long as 80 per cent. is made by another at no cost (he pays no wages to his people); nor can I raise any objection to his making salt on his own land.

So far as oil goes, there are now no buyers in Kasr; even he withdrew covert opposition, and this is because he has impoverished the place so much.

The question at the moment, therefore, is not so much Kerim Khan's behaviour, it is the existence of Kerim Khan here, and the bad influence inseparable from his existence in power. The only remedy to seek now is, I think, the removal of Kerim Khan, not any arrangement with him, for he would keep to no arrangement once your back was turned so long as he remains. Nor would any persons do business for fear of extortion; and this position is not only in regard to the company's business, but is true of all business here.

At the present time I am on ostensibly friendly terms with him, and things are going smoothly enough.

The local position, too, seems to point to Daoud's withdrawal of support from him, and I am prepared to wait a little while to see what will happen to him, specially if you will, as heretofore, give me all information you can regarding the position.

[Unsigned.]

[33742]

No. 383.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 133.)

Sir,

Gulahck, August 3, 1911.

I HAVE the honour to transmit copy of a note which I addressed to the Persian Government on the 31st ultimo in pursuance of the instructions contained in your

telegram No. 220 of the 28th ultimo. A similar communication, *mutatis mutandis*, was made by my Russian colleague on the same day.

You will observe that I made no mention in this note of any engagements undertaken by the ex-Shah to the Persian Government. My reason for omitting this passage was that it was omitted from my colleague's instructions.

The alteration in the wording of your telegram No. 220 which was made by your telegram (no number) of the 1st instant only reached me yesterday—too late for it to be made in my note to the Persian Government.

I have, &c.
G. BARCLAY.

Enclosure in No. 383.

Sir G. Barclay to Mohtashem-es-Sultaneh.

M. le Ministre.

Gulahak, July 31, 1911.

I HAVE the honour, under instructions from His Majesty's Government, to make to your Excellency the following declaration:—

"As the Shah has returned to Persia contrary to the advice given to him repeatedly by the British and Russian Governments to abstain from any intrigue in Persia, the British Government recognise that the ex-Shah has forfeited his right to the pension assigned to him by protocol. On the other hand, the British Government consider that, the ex-Shah being in Persian territory, the British Government cannot interfere. In consequence, the British Government declare that in the struggle that has unhappily occurred in Persia they will take no part whatever."

I avail, &c.
G. BARCLAY.

[33743]

No. 384.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 134.)

Gulahak, August 4, 1911.

Sir,

WITH reference to telegraphic correspondence ending with my telegram No. 223 of the 21st June, I have the honour to transmit a report from His Majesty's acting consul at Shiraz on the incident of the 10th June, when a regiment of Persian soldiers tried to effect an entry by force into His Majesty's consulate, and exchanged shots with the sepoy guard.

It will be seen that Mr. Knox hopes that the Government of India may be informed of the very high opinion which he has of the services of the four sepoys on guard at the main gate on the occasion in question. He adds that both sowars and sepoys behaved excellently.

I hope it may be possible to give effect to Mr. Knox's wish.

I have, &c.
G. BARCLAY.

Enclosure in No. 384.

Acting Consul Knox to Sir G. Barclay.

(No. 24. Confidential.)

Sir,

Shiraz, June 25, 1911.

I HAVE the honour to report on the incident of the 10th June, when a regiment of Persian soldiers endeavoured to force an entry into His Majesty's consulate, and exchanged shots with the sepoy guard.

At about 11 A.M. on that day I was in the Indo-European Telegraph Department Superintendent's office, when a servant arriving from the consulate announced that a number of armed men were endeavouring to force their way in. I immediately hastened back and, on leaving the office, heard the shouts of a crowd coming from the direction of the main, or south, gate of the consulate garden, followed by a burst of firing. Before I had reached the consulate by the side gate near the telegraphs, less than a minute after the first shots, firing ceased, and on arriving at the main gate I

found that the Persian soldiers had been completely dispersed, leaving one of their number dead and two dying inside the garden. By this time all troops forming the consular guard and escort, except for a double guard of eight men who, since Kawam-ul-Mulk's arrival, had been posted in the neighbourhood of the consulate building, had collected near the main gate when firing broke out near the house where the guards had sighted three men climbing over the north wall of a contiguous garden in which the sepoys are lodged. These men, who made off immediately, could not have belonged to the same party as those who came to the main gate, since the numerous gardens surrounding the consulate on three sides necessitate a detour of nearly one mile in order to reach one spot from the other, whereas at the time of their appearance on the north wall not more than three minutes can have elapsed since the firing at the gate.

From the investigations which I made after the incident the facts appear to be as follows:—

Shortly before 11 o'clock an entire Persian regiment, 400 to 500 strong, the "Feuj-i-Jellali" of Ispahan, marched down the road leading from the town to the consulate under arms and with their drums playing. On reaching the gate, which they attempted to enter, they were checked by the sepoy guard of four men and the three Persian soldiers of the same regiment who served as a supplementary guard. These tried to close the gate but were unable to do so on account of the press, and the three Persians were remonstrating with their comrades when Mirza Fazlullah Khan, the consulate munshi, came up. On his arrival he found that the sepoys had been pressed back beyond the entrance archway—some 20 feet deep—which was now full of Persian soldiers whom the crowd outside were urging to push on. He made every effort to check them, telling the leaders that if they wished to take bast they should withdraw beyond the gate and send two delegates to talk the matter over with me. Meanwhile one of the Persian guards who had squeezed himself through the crowd attempted to restrain those outside, but was severely beaten for his pains. Finally the munshi, seeing that the pressure only increased, shouted that, if they did not retire, the guards would open fire, and the sepoy corporal sounded his alarm whistle and formed up his men across the avenue leading to the consulate, since the Persians were spreading out on the nearer side of the archway. The soldiers replied that they had arms and would fire too, some of those in front loading their weapons. One of these then threatened Mirza Fazlullah Khan with his rifle, which he brushed aside, and a Persian in the second rank fired. The sepoys, who were kneeling or lying in the path, answered with a volley and then rising and firing very rapidly drove the soldiers back and closed the gate. The Persian soldiers, both inside and outside the gate, also fired as rapidly as they could, but when the latter saw their comrades driven out they took to flight, and in a few moments the whole neighbourhood was deserted. Of their shots only one took effect, a sowar, Jaffar Shah, No. 2930, of the 25th Cavalry, who was hastening across the avenue to fetch his rifle from his quarters, being wounded in the hand. The second finger of his right hand, which had been shattered by a large-bore bullet was amputated at the root, and although he has not yet regained the use of the remaining fingers the medical officer is of opinion that he will remain fit for service. The two wounded Persians who had fallen inside the consulate grounds were removed to the telegraph dispensary, where both subsequently died. Two others who were brought in from outside, one wounded in the scalp the other in the chest and hand, have now recovered. During the affair, the sepoy guard at the main gate fired in all twenty shots and those near the house twelve. Six empty Persian cartridge cases were picked up inside the garden as also some of their lead bullets which had struck an out-building of the consulate at the head of the avenue. At the lowest estimate, they must have fired about fifty shots.

After all possible investigation of the circumstances, I am convinced that Mirza Fazlullah Khan did everything in his power to check the Persian soldiers, and that once they had passed the gate in so determined a manner an incident of the sort was inevitable, since even in normal times—and much less under the present circumstances—the guard could not allow a large body of armed men to enter by force, however pacific their intentions might be. It is I think only due to the coolness and courage of the sepoys on guard that more serious consequences were averted. The four men forming this guard were: Lance-naik No. 155 Syed Madar and privates No. 1911 Abdul Khadar, No. 1608 Abdul Basid, and No. 953 Shaikh Imam. I venture to hope that the Government of India may be informed of my very high opinion of their services. Moreover, the bearing of both sowars and sepoys was excellent, the men assembling under arms at the first alarm with the greatest calmness and rapidity.

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As soon as possible after the incident I informed the Governor-General in writing of what had occurred, and requested him, if he thought any such precaution might be called for, to supply all Europeans in Shiraz with adequate and trustworthy guards. Some half-hour later Yedullah Mirza, the commander of the forces, called on me with Nizam-es-Sultaneh's chief steward and expressed their regret at the occurrence. Yedullah Mirza then told me that the Jellali regiment, which had been drilling early in the morning, had later assembled in the square to receive their pay, forty days' arrears being due and two companies being under orders to start for the Mamasenni country. Some delay occurred in payment, since the commander was waiting for a member of the local anjuman to be present as witness, when the discontented officers took advantage of this to stir up the men to take bast at the consulate. After this statement of the commander I asked him how it was that no effort was made to stop the men. He replied that nothing had been done, because their objective was not known; this although the Governor-General's steward had already told me that it was known at the palace before the men started that they intended to go to the consulate. Yedullah Mirza's knowledge also seemed implied in his own account; it is, moreover, impossible to believe that anyone seeing the soldiers set out in this way could ignore their destination. There can be no doubt that if a few Cossacks had been sent to turn back the soldiers they would have found no difficulty in doing so.

Shortly after this visit the chief of the Governor-General's tofangchis arrived with fifty men to keep watch round the consulate. He stated that a seyyid who had been inciting the soldiers to come to the consulate had been arrested and would be beaten so that he might confess by whose orders he had done this. Since the result of this questioning has not yet been communicated to me, I presume that he could not be induced to throw the blame in the right quarter.

On the same day I received a letter from the Governor-General informing me that "although the incident was due to the carelessness of the sepoys, he was taking the necessary measures for the adequate protection of British subjects." He asked me at the same time to instruct the Indian guards not to appear in town for a few days. I replied on the next day in accordance with your instructions, thanking him for providing British subjects with guards and stating that the sepoys were in no way to blame in the matter.

On the 11th June an officer of the Jellali regiment, son of the Rais-i-Kushun of Ispahan, told Mirza Fazlullah Khan that the whole affair was certainly the outcome of intrigue, that the soldiers, although they saw their pay being brought from the bank, did not stop to receive it, that a certain non-commissioned officer, who had of late had frequent conversations privately with the commander, was the chief instigator, and that a seyyid and some twenty civilians were also stirring up the men. He added that in his opinion it was intended that the demonstration by the soldiers at the main gate should open the way for an attack from the gardens in rear of the consulate, where many armed men were stated to be posted.

Four days later the acting karguzar told me that the Minister for Foreign Affairs had instructed him to submit a report on the incident. He had replied that in his opinion this had been engineered by the "party" (Nasir-ul-Mulk, Beha-es-Sultaneh, Ata-ed-Dowleh, and Moghis-ed-Dowleh, the four persons chiefly prominent in the demonstrations of last month), that a non-commissioned officer in close touch with one Ali Akbar Khordul, Dehbozourgi (a notorious enemy of Kawam, against the presence of whose tofangchis in the neighbourhood of the consulate I had found it necessary to protest early in May, as reported in my despatch No. 21 of the 12th May), had led the soldiers to the consulate, and that he believed it to be established that there were in uniform among the soldiers some fifteen to twenty of Ali Akbar's tofangchis.

Up to the present date I have been unable to learn anything more precise on the matter. The general opinion expressed by the population here is that the affair was in the nature of an attempt on Kawam-ul-Mulk's life inspired by the Governor-General, and those of the more respectable Persians I have myself seen subsequently, ridicule the idea of a bast. It is in fact remarkable that on previous occasions—once indeed as recently as last April—soldiers who sought bast have always behaved in the most orderly manner, waiting outside the gate while two of their number were delegated to set forth their grievances. Moreover, the soldiers themselves must have been aware that, if accorded bast, even if they were unarmed and general conditions were normal, they would not be admitted into the consulate grounds, but merely allowed to camp along the outside wall which is recognised by tradition as adequate sanctuary. The appearance of three men on the north wall still remains unexplained,

and I think it is highly improbable that any fresh light will now be thrown on the matter. Curiously enough the incident has aroused no anti-British feeling locally, even those of the population who attach no ulterior motive to the action of the soldiers only deploring their folly and stating that by "either law" the sepoys were well within their rights in driving them out by force when they had refused to leave peaceably.

During the ensuing days the disarmament of the Jellali regiment was gradually undertaken, and when this had been completed on the 21st June the men were sent back to Ispahan. In the meantime two other regiments had taken bast in the chief mosques after making a demonstration before the anjuman. These were, however, promptly paid and things in town have since returned to their normal condition.

Perhaps the most remarkable fact of the whole affair is the extraordinary rapidity with which any emotion to which it may have given rise has subsided. The only result in any way noticeable at present is a decided decline of Nizam-es-Sultaneh's already waning influence, since the generality of public opinion does not fail to appreciate the great contrast between his administration and that of the Kawamis, when Nasr-ed-Dowleh was known on more than one occasion to pay out of his diminished private revenues considerable sums of arrears due to the troops, whereas Nizam-es-Sultaneh, in spite of the great personal profit he has already reaped in Fars, is unwilling to part with a paltry forty days' pay.

I have, &c.
G. G. KNOX.

[33978]

No. 385.

Lieutenant-Colonel Cox to Sir E. Grey.—(Received August 28.)

(No. 9. Commercial.)
Sir,

Bushire, August 4, 1911.

IN connection with the survey of the best alignment for the proposed Bushire—Aliabad and Bunder Abbas—Aliabad railways on which Lieutenant Wilson is now about to start, I have the honour to state that apart from the technical survey it will be very necessary to obtain a fuller knowledge than we have at present of the distribution of imported goods beyond Shiraz, of the present cost of such distribution, of the consumption of imports in these parts of Persia, and the extent of the agricultural wealth of Southern Fars, about which there are at present insufficient statistics available.

Since the creation of the consulate at Shiraz the officers who have filled the appointment have had their time and powers so fully taxed by the political and executive duties of the post that no satisfactory examination of the conditions and possibilities of the town and district has ever been possible, and except for Mr. Bill's brief report of 1908–1909 no trade reports have been furnished to Government; though Mr. Chick in the enclosure to my despatch No. 4, Commercial, of the 6th March, gave an estimate of merchandise reaching Shiraz, we have no basis for calculations as to what is forwarded on to Ispahan.

On the assumption that Ispahan is the objective for a large part of our imported trade, it is advisable that a commercial estimate should be made without delay, and this can only be done satisfactorily in Shiraz itself.

I therefore propose, with your sanction, to send Mr. Chick as my commercial adviser to Shiraz during September to carry out these investigations.

He would at the same time study the present cost and the possible cost in the case of railway transport, of getting different classes of goods to Shiraz, Ispahan, and other towns; he would also make, as far as possible, an estimate of the amount of agricultural produce and wealth obtainable from the valleys between Bushire and Shiraz which would be tapped if railway connection were effected.

I would also propose that he should proceed via Firuzabad, the Famur Valley, and Jirreh to Shiraz, and after his investigations are concluded he should take the opportunity of the downward migration of the Kashgais to travel with them as far as the Jahrum plain, returning thence to Bushire.

The chiefs have already stated that they would at all times be pleased to welcome Mr. Chick or other member of the consulate-general, who could pay a visit to the tribe in migration so that no difficulties need be anticipated as regards escort or security.

The time taken on the journey and the stay in Shiraz would be altogether about 1½ months, and hire of transport for the journey may be estimated at about 26l.

As a commercial estimate of the distribution of imports and of the agricultural resources of the province are particularly required at the present juncture, and no risk is likely to be met, I strongly recommend that the journey be undertaken, and in order that if my proposal is approved the necessary local preparations may be put in hand in good time, I venture to ask that you will be so good as to accord your sanction to the cost of the journey by telegram.

I have, &c.

P. Z. COX, *Lieutenant-Colonel,
British Resident in the Persian Gulf, and His Majesty's
Consul-General for Fars, &c.*

[33744]

No. 386.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 135.)

Sir,

Gulahak, August 5, 1911.

I HAVE the honour to transmit copy of a despatch from the acting consul at Shiraz, from which you will see that no progress has been made in the organisation of a gendarmerie under General Maletta. General Maletta has been ill, and apart from this the total dislocation of affairs which has marked the past three months, has been altogether unfavourable to any constructive work such as the institution of an efficient gendarmerie. This consideration has deterred me from pressing the Persian Government to hasten General Maletta's work by remitting the 80,000 tomans earmarked for the Fars gendarmerie which would doubtless, if sent to Shiraz at this juncture, have been squandered by the Nizam-es-Sultaneh.

In the obscurity of the situation to-day, it is difficult to gauge the prospects of the formation of a proper gendarmerie by the Persian Government, but if the present régime holds, and the Treasurer-General and his assistants remain, I do not despair of the Government's being able to establish an effective force. The Swedish officers are about to arrive in Persia, and with the financial backing they are likely to obtain under Mr. Shuster's auspices, they should be able to do good service.

It is to be hoped that it will be found possible to harmonise their work with the organisation of the Treasury gendarmerie to which Mr. Shuster attaches such importance. If so, they will find in Major Stokes, if he is appointed to organise that force, a valuable collaborator.

I have, &c.

G. BARCLAY.

Enclosure in No. 386.

Acting Consul Knox to Sir G. Barclay.

(No. 21. Confidential.)

Sir,

Shiraz, June 9, 1911.

I HAVE the honour to report on the progress made up to the present in the question of policing the Bushire-Ispahan road.

General Maletta on his arrival in Shiraz on the 24th March, informed me that his instructions, which do not enter into details, state that he is charged with organising a gendarmerie in Fars with the least possible delay, and "conformément aux exigences de la réforme moderne." Before leaving Tehran, he was told by the Minister of War that he would find a useful nucleus for this force in the existing "amniyeh," or road police; that he would have at his disposal 150 Lebel carbines from the armoury at Shiraz; that measures were being taken to provide him with all further arms and ammunition that might be required, and that the sums necessary for organisation and upkeep of the gendarmerie would be paid regularly through the Imperial Bank of Persia. It had apparently been rumoured, previously to General Maletta's coming, that he was entrusted with the payment of the present force. He had consequently an excellent opportunity of studying this, since, at each stage where any men were stationed, these invariably came to the front clamouring for long due arrears. From Aminabad, the frontier of Fars, to Shiraz—a distance of 210 miles—he thus saw in all three officers and thirty-seven mounted men. In Shiraz itself, he found one officer with six men, these being all that remained of a body of forty sent not long ago from Tehran. So far then as I can ascertain, these four officers and forty-three men constitute the

whole regular force for the protection of 400 miles of mountainous road between Aminabad and Bushire. Of the 150 carbines mentioned by the Minister of War, no trace could be found, nor was anything known of the 80,000 tomans destined for the first year's expenditure, and which were stated before General Maletta's departure to be already deposited in the bank.

After the arrival of the Governor-General at the beginning of April, I took an early opportunity to enquire what steps he proposed taking with a view to the efficient policing of the road. He told me that for the present he intended to leave that from Shiraz to Bushire in the hands of Soulet-ed-Dowleh, and, if he continued to show the same good dispositions, to entrust him also with the northern road. He added that he proposed gradually to place the guards on a more regular footing, stationing bodies of twenty men—fifteen foot and five mounted—at every half stage and all commanding points of the road. He would further construct a number of fortified towers at these spots. Nizam-es-Sultaneh at the same interview expatiated on the urgency of thorough punitive measures against certain of the tribes, which he would wish to undertake as early as possible. He was in fact, he assured me, only awaiting the reply to a request he had addressed to the Persian Government that they would supply him with two Schneider 75-millim. guns and 500,000 rifle cartridges before embarking on an expedition against the Beir Ahmedi tribe in their summer quarters. For this he would employ Government troops supported by levies raised from his own estates and all available Kashgais.

General Maletta had meanwhile telegraphed to the Minister of the Interior that it was impossible to embark on the organisation of the gendarmerie until the necessary money, arms, and accoutrements were available. The Minister of the Interior replied that he should, after consultation with the Governor-General, again refer the matter to Tehran, when "immediate orders would be given." Nizam-es-Sultaneh, in his earlier interviews with General Maletta, showed some scepticism as to adequate funds being forthcoming, and confined himself to asking him to submit a detailed programme which he would forward to the proper quarter, with any modifications that might be judged necessary. General Maletta thereupon offered a programme similar to that presented to the authorities in Tehran before his departure. This remains at the present date still under consideration.

On the 24th April the Governor-General told me that there now appeared some reasonable probability of the 80,000 tomans being ultimately received. General Maletta had, however, found that this sum was entirely insufficient, allowing, according to his scale, for only 500 to 600 men, whereas he considered as many as 4,000 necessary. His Excellency went on to say that, while acquiescing in General Maletta's demands if the intention of the Persian Government is to raise a force of permanent efficiency, he could not see his way to advocate the great expenditure thus called for while funds for the more pressing object of punitive measures were urgently required. At the same time he hinted that the 80,000 tomans might be employed to place on a better footing the existing road guards. In the course of conversation I had found an occasion to tell the Governor-General that I had no doubt that His Majesty's Government considered the policing of this trade route by a regular force as a matter of the first importance.

For the next two weeks the question still remained in the same position, General Maletta continuing to insist on the complete uselessness of a force of 600 men without European officers. He believed, however, that, should it be decided to create such a body as a nucleus for a larger force eventually to be raised, it would be possible to commence the distribution of these 600 men along the road within six months of the first commencement of organisation.

On the 6th May I again had a conversation with Nizam-es-Sultaneh on this subject, when I took the opportunity to tell him, as instructed in your telegram No. 39 of the 26th April, that it must be decided between himself and the Persian Government, who are responsible to His Majesty's Government for the good execution of their engagements for the restoration of order on the Bushire-Ispahan road, what means are to be best employed in this intent. He told me in reply that he was much alive to the necessity for a gendarmerie in Fars, and that he hoped most sincerely that the financial difficulties standing in the way of a commencement of the organisation of this to be undertaken simultaneously with punitive measures, would not prove insuperable. He then dealt on the fact that certain items of General Maletta's programme, such as socks and gloves, would seem an unwarrantable extravagance in view of the present condition of Persian finances, and that it would perhaps be possible by cutting down this unnecessary expenditure to raise at the same cost a

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considerably larger force equipped on less European lines. I avoided any discussion of this question, and confined myself to saying that I was sure that His Majesty's Government would undoubtedly prefer to see a gendarmerie possessing at least the essential characteristics of a regular force.

Since this date the whole question has been thrown much in the background by the general dislocation of affairs resulting from the murder of Nasr-ed-Dowleh, General Maletta has, moreover, been constantly ill, and what little conversation he has been able to have with the Governor-General has dealt chiefly with minor points of equipment in the programme submitted to his Excellency. He received, however, about the 1st June a telegram from the Minister of the Interior instructing him to embark on the organisation of a force of 700 men without exceeding the limits of the original provision of 80,000 tomans. A few days later a certain Musa Khan, commander of the existing "amniyeh," told me in the course of conversation that he understood from Nizam-es-Sultaneh that these 700 men will be raised from Shiraz itself and from the villages along the road, that they will be stationed near their homes and thus be able to provide their own lodging, stabling, and fodder, by which means the cost will be greatly reduced. I gather further from this officer that the force contemplated would not wear uniform nor differ in any essential from the existing road guards. It would thus seem that, unless the Persian Government entrust General Maletta with complete financial control, there is every likelihood that all their schemes for the creation of a regular force will dwindle to a mere increase in the number of armed ragamuffins who at present batten on passing caravans, while the money voted for a gendarmerie will be frankly embezzled in Shiraz.

Although a disciplined native force of 600 men would no doubt fail to suffice for the efficient protection of the road, it would seem to me that this would, from every point of view, be indubitably preferable to the present system, and, indeed, once that the difficulties of a first commencement had been overcome, future expansions could well be made in the degree that a gradual experience might find necessary. General Maletta's estimate of 4,000 men is based quite arbitrarily on the mere mileage and physical aspect of the road without any consideration of the all-important factor of tribal migrations and the many other analogous circumstances which confine the more serious robberies at least to a definite number of clearly defined zones each containing its vulnerable spots. To my mind, indeed, the fact that these lines of migration, depending as they do on entirely natural conditions, are open to no unforeseen modification and must be followed by the tribes at fixed periods with mechanical regularity, would seem the one consideration that could hold out a reasonable hope of a possible protection of the road by a comparatively small force or even of an eventual disarmament of the whole province.

As to General Maletta's expectation of placing his men on the road within six months of the commencement of the organisation, I fear that on this point he is unduly optimistic. So far as I can see there is little possibility as yet of any useful co-operation between a regular force and the retainers of Soulet-ed-Dowleh at present in charge of the Shiraz-Bushire road. It seems also most unlikely that the Kashgai chieftain will of his own accord surrender so powerful a lever as the control of the trade route, and a long period must necessarily elapse before the gendarmerie could be in a position to take and maintain this by force. Moreover, General Maletta himself considers that the first essentials to any hope of success are that plenary financial control of the whole scheme should be in European hands and that thoroughly reliable officers should be placed in command at such outlying posts as Abadeh, Dehbid, and Kazerum (and it is, I fear, unlikely, if not impossible, that Persian officers could be found to fill satisfactorily such posts, where they would have to be entrusted with the payment and maintenance of discipline of a considerable number of men). There seem, too, to be other points of almost equal importance, namely, that the commander should have at his disposal adequate and unbiassed political advice on tribal questions, that he should be in a position to make frequent tours of inspection, and that some arrangement should be come to regarding regular telephonic communication. Until some at least of these difficulties are solved I cannot believe that there is any likelihood of the organisation of such a force being successfully embarked on. Furthermore, a large number of purely technical matters requiring full discussion remain as yet, to the best of my knowledge, untouched on. Of these it will suffice to mention such questions as whether the men should be recruited indiscriminately from the general population of Fars or from special classes; whether they should serve in their own district, or as far as possible removed from it; whether or not any administrative control should be given to the outlying posts, and whether the functions of this gendarmerie should be entirely

confined to the mere protection of caravans. Meanwhile the arms, ammunition, and accoutrements, which appear so far to exist only in theory, will require considerable time to materialise.

As regards the question of punitive action dwelt on so insistently by the Governor-General, there can be no doubt of its urgency. There is, nevertheless, to my mind, good reason to suppose that, were Nizam-es-Sultaneh to be entrusted with this, his action would not differ materially from that taken lately with such poor results in Tangistan and Kamarej, that is to say, that it would be directed simply towards reaping some personal profit without any regard for the exigencies of the situation. Moreover, in view of the open insubordination which he has frequently shown and of the very doubtful attachment of Soulet-ed-Dowleh to the central Government, it would seem to me most improbable that the authorities would be ready to assist their joint action with the necessary military supplies for an expedition of the type contemplated against the Beir Ahmedi. It appears, further, when taking into account the daily growing weakness of Nizam-es-Sultaneh, that it would now be impossible for him to take the lead in any such enterprise, at least during the course of the present summer, whereas after the early autumn operations against this tribe would be quite impracticable, since their winter quarters, in the neighbourhood of Behbahan, are too far removed from those of the Kashgai for the latter effectively to co-operate with the Governor-General's forces. Thus, since every circumstance leads to the conclusion that neither the Beir Ahmedi nor the more notorious of the other brigand tribes (who are similarly affected by these considerations) can possibly receive any degree of chastisement during this year, it would appear more than ever urgent that the Persian Government should at last make a determined effort to remove, at any rate, the more serious difficulties in the way of the organisation of an efficient gendarmerie, which seems now to afford the only hope of salvation for Fars.

I have, &c.
G. G. KNOX.

[33745]

No. 387.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 137.)

Sir,

Gulahak, August 5, 1911.

WITH reference to my despatch No. 110 of the 1st July, I have the honour to transmit copy of diary No. 3 from the British and Russian delegates now travelling on the Turco-Persian frontier.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 387.

No. 3.—*Diary of the Itinerary of the British and Russian Delegates from Urmia to Soujboulak, July 4 to July 10, 1911.*

OUR stay at Urmia was somewhat prolonged, as we were waiting for certain instructions from our legations. Owing, however, to the continued interruption of the telegraphic service between Urmia and Tehran, and the consequent uncertainty as to when these instructions might reach us, we finally decided to make for Soujboulak, where we could put ourselves in direct communication with Tabreez and Tehran through Miandoab, the lines between the last-mentioned places being, we were given to understand, in good working order. There was, further, every advantage in pushing on as soon as possible, owing to the fact that the great heat was already setting in, and that further delay at Urmia would render our journey increasingly difficult. On communicating to Saadi Bey, the Turkish consul at Urmia, the day previous to our departure from that place, our intention to proceed to Soujboulak, taking the districts of Baranduz, Dol, and Suldaz on our way, we were informed by him that, as the Turkish territory both at Baranduz and at Suldaz extended to the shores of the lake, and that, as in fact, there was no means of getting from Urmia to Soujboulak without crossing the Turkish frontier, he could not guarantee that permission would be given to our escort to accompany us. He would, however, write to the Turkish authorities and do his best to obtain the permission required.

July 4.—We left Urmia at 8:30 A.M., and, having ordered our caravan to proceed directly to Sardarud on the Baranduz Chai, paid an unexpected visit ourselves to the large Sunni village of Miava (11:15 A.M.), situated just above the landing-place of the little steamer plying between Golman-Khane (Urmia shore) and Shishevan (Tabreez shore). Though the village lies entirely out of the zone of Turkish influence, its inhabitants some years ago gave "dekhalet" to the notorious Peter Ellow (of Urmia), a Turkish subject from Caver. According to what one of the inhabitants told us, out of the 300 families composing the population of the villages about fifty had immigrated some considerable time back from Van. We ascertained later, however, that our informant, who alleged that he himself was one of the descendants of these Van immigrants, had in fact been at one time a Persian soldier and was still called by all the villagers by the Persian title of "vekil" (corporal), his brother holding the title of "sultan" (captain). The proprietress of one-third of the village, whose house still bears over the doorway the emblem of the lion and the sun, stated to our men that only a few days before our arrival she had let her property (with the implied consent, as we understood, of the Persian authorities) to the above-mentioned Peter Ellow who undertook to pay her 300 tomans yearly plus 200 tomans per annum as "malyat" (Government dues) to the Persian Government. The lady explained that there was no other course open to her as the villagers refused to acknowledge her authority, alleging their Turkish nationality. Further, the two other proprietors, viz., Keshikchi Bashi (now in Tehran) and an Urmia merchant named Ittihadî were also obliged to let their property to two of the villagers—Medjid and Allah Kuli by name—both so-called Van immigrants. We also learned that up to the day previous to our arrival there had been stationed in Miava eight Turkish gendarmes who, however, had gone to Urmia to pass some days there. The Turkish consul, Saadi Bey, we were further informed, was a frequent visitor at the village in question.

Leaving Miava at 4:55 P.M. we reached at 8:45 P.M. the Nestorian village of Sardarud which was visited in the year 1908 by Messrs. Wratislaw (then British consul-general at Tabreez) and Miller (then acting Russian vice-consul at Urmia), together with Tahir Pasha (chief Turkish representative on the Mixed Turco-Persian Frontier Commission) for the purpose of enquiring into an attack on the place by the Kurds. Here we found the southern end of the bridge connecting Sardarud with Babarud (also visited by Messrs. Wratislaw and Miller in the year above mentioned) occupied by a detachment of Turkish soldiers who had been sent up from the neighbouring station of Kukiya only the day before and by whom our further progress was barred. Two or three men of our escort who had arrived at Sardarud some few hours previously were in fact stopped by the sentries on wishing to pass to the other side, the matter, however, otherwise giving rise to no incident. An enquiry addressed by us the day following (5th July) through our ghulams to the officer in command elicited the reply that no instructions respecting the free passage of our escort had as yet been received. On the afternoon of the day following, however (6th July) a letter from Behdjet Bey, the frontier commissioner of the IVth Army Corps (see itineraries Nos. 1 and 2), who is now Acting Kaimakam of Ushnu, was read to us by Lieutenant Mirza Effendi (who in meantime had arrived at Babarud with our Turkish escort), in which the former stated that, in view of the exceptional circumstances of the case and of the difficulties in which our escort would otherwise be placed, he would take upon himself the responsibility of giving it permission to accompany us through the strip of Turkish territory intervening between the Baranduz River and the Persian district of Dol, on condition, however, that it should confine itself to the high road.

Note.—Turkish forces in the Baranduz district:

Two Buluks 9th (infantry) Regiment stationed at Kukiya, Balanush, Dize, and Shaban respectively.

Head-quarters of the two tabours of this regiment—Mawana, one buluk being further at Ushnu.

All gendarmes in the district have gone on leave, their term of service being expired.

The Baranduz district is governed by an honorary mudir, Kerim Khan, of the Harki clan of Mergaver.

July 7.—We left Sardarud at 9:10 A.M., and being joined by our Turkish escort on the opposite (Babarud) side of the river, proceeded towards Dol by the ordinary caravan road running by the lake. At 9:45 A.M. we passed the village of Djebel Kendi, at which place there was formerly a Turkish customs under the direction of Ali Effendi

and Muhi-ed-Din Effendi. Shortly after leaving Djebel Kendi we arrived at a spur which, stretching west to east and terminating in the lake, here divides Baranduz from Dol, and on reaching the summit of the spur (Kashka-Geduk) at 10:15 A.M., our Turkish escort took leave of us, the strip of land claimed as Turkish territory having thus barely taken an hour to traverse. Here it should be mentioned that the Turks, besides occupying the right bank of the Baranduz River, have left to the Persians on the left bank only a few villages lying close to the lake and adjoining the Urmia plain. The Turkish zone thus begins at less than an hour's distance to the north of Sardarud, the frontier passing between Saralan and Dize-Teké (Persian) and Saatlu and Kubné Hammam (Turkish). Continuing our journey, the first village reached by us in Dol was Reshaken 11:20 A.M., inhabited by Persian shiahs, of whom, however, only forty families were left out of a former 150. In this village we found considerable poverty prevailing, many houses having been destroyed by the Mamash Kurds under Hamzé Arslan and Aziz Agha the year previous to our visit. To some extent the villagers appeared also to be suffering from local maladministration. Leaving Reshaken at 12:50 P.M. we proceeded to Diza, the administrative centre of Dol where we arrived at 2:35 P.M.

Note on Dol.—Dol is a small district consisting of 24 villages completely enclosed, except on the side of the lake, within the following territories occupied by the Turks, viz.:—

1. Baranduz to the north;
2. Sulduz to the south; and
3. Deshtebil to the west, the last-mentioned district which depends administratively on Ushnu, being situated on the Kassimli River, a tributary of the Baranduz Chai.

Under these circumstances, it is not without a certain significance that its administration should have been entrusted by the Governor of Urmia to a Kurd—Abdullah Bey—of the Benar Bagzades (Mergaver) who, as we had been informed by Saadi Bey at Urmia, is accused by the Turks of certain malpractices, which, however, does not prevent him from frequenting the Turkish consulate, as we learnt from Abdullah Bey himself. While at Dol we were visited by Haidar Khan, son of Mir Pendj Agha Khan (of Urmia), and were informed by him that fourteen villages in the Baranduz and twenty-two in the Deshtebil district respectively belonging to his father had now passed under Turkish occupation, and were paying no proprietary dues ("malyat-i-erbabi") whatever. Of these villages Babarud was at first by necessity let by Agha Khan to Peter Ellow, who was, however, prevented from exercising his rights by Mamed Effendi, the officer in command of the nearest Turkish picket, who, we were told, had himself expressed the desire to get hold of this lucrative piece of business. Afterwards, however, the whole transaction collapsed, the villages now paying no taxes at all. Khydyrud has been taken by Mamed Agha Debokri; Qasimli by Djafer Khan Zerza; the Deshtebil villages by Riza Khan and Mustafa Khan Zerza, who first brought the Ottomans to Ushnu. We further met at Sardarud, a Kurd called Mirza Qadir, who proved to be a runaway from the village of Kelbi Riza Khan (on the Jahatu River), and who was said to have taken possession of the village of Mahmud-Ova belonging to Agha Khan. We were also informed that a certain Mamed Effendi, who introduced himself to us while at Sardarud as the commandant of gendarmes (which as stated above we found non-existing) had come to Baranduz with the intention of hiring villages. All these facts and rumours would seem to show that an energetic action is now going on in the occupied provinces the object of which is to dispossess the ancient proprietors, and to bring about a change in the land tenure.

July 8.—Leaving Diza at 4:40 P.M., we proceeded to Balistan, a village situated not far from Kizdirma where the Sulduz district begins. Balistan itself was at one time taken possession of by the Turks, who in one year even levied taxes ("kamchur") there. The present unsettled state of affairs seems to be the cause of considerable dissensions among the inhabitants themselves some of whom are partisans of their present Agha-Haidar, Khan—while others are apparently inclined to favour the Turks. A certain Mehmed Emin Bey, pretending to be the original proprietor of the village, left, we were informed, some time ago for the Turkish town of Rayet (Rewanduz district) to submit a petition to the Sultan begging that the question of the frontier might be definitely settled once for all.

July 9.—We left Balistan at 9:25 A.M., reaching Kizdirma at 10:15 A.M. Here
[1505] 4 D

we found a detachment of infantry some thirty strong under Lieutenants Sidki and Abdullah Effendis drawn up to receive us, together with some twenty-five Kurdish horsemen. Our reception by these officers was a friendly one, and after some conversation with them it was arranged that while we ourselves proceeded to Rahdané—the head-quarters of the Turkish military forces in Suldüz—where, we understood, we would meet Yussuf Zia Bey, the civil kaimakam of the district, who had gone there from Nagadeh (the administrative centre) our escort, accompanied by the Turkish detachment, should make its way to the Mahmend Bridge on the Gadir Chai near the lake, at which point it would again enter Persian territory. Shortly after separating from our escort, which we left in charge of Captain Kissly, we were met by our Turkish escort under Lieutenant Mirza Effendi, who brought a written order to Sidki Effendi, the evident effect of which was to cause the latter to exchange his former friendly attitude for one of extreme reserve. After a further march of about an hour we reached at 1:10 P.M. the Suldüz plain proper. Here we found that our arrival was being awaited by a large crowd of Kurds both horse and foot, including some Jews drawn up in a line on both sides of the road and flying the Ottoman flag, by whom we were greeted with loud and almost aggressive cries of "Long live Sultan Mehmed." Several petitions were at the same time thrust into our hands, and on one of them being torn up by us on the grounds that we were not entitled to receive collective complaints the officer accompanying us expressed his regret at our action, the petitions, according to him, merely expressing the contentment of the population with Ottoman rule and their desire to continue to enjoy its benefits. This was no surprise to us, as, when still at Dol, a messenger from one of the most influential Karapapak chiefs in Suldüz had already informed us that the Turks were preparing "mazbatas" in the above sense for the signature of the inhabitants. It is noteworthy that in the crowd no Karapapak (Shiah) ancient proprietors and land-owners were to be seen, this fact being accounted for by an order, which, we were told, had been given to these people by the Turks not to leave their homes on the day of our arrival. A separate petition of the Karapapak chiefs complaining of their misfortunes was afterwards sent to us by them at Soujboulak.

At Rahdané, where the crowd which had been accompanying us dispersed with remarkable celerity, we were informed by Captain Reshid Bey, who received us with the usual military honours, that the civil Kaimakam Yussuf Zia Bey had just previously returned to Nagadeh, not expecting that we should arrive that day. A little later, in order to obtain a little rest, we retired to a tent on the bank of the Gadir Chai, from which until the evening we could see parties of villagers coming in, but who had evidently been too late to take part in the demonstration earlier in the day. The tent in which we were was, however, cut off from intercourse with the inhabitants, our movements being closely watched by several soldiers by whom the passers-by were kept aloof.

A visit was paid to us, in the presence of Turkish officers, by the representatives of the Christian colony in Suldüz, viz., a Nestorian priest from Kochanes (Turkey) and a certain Armenian merchant called Charbashian, an Ottoman subject from Van, the latter endeavouring to hand to us a petition expressing the contentment of the local Christians with Turkish rule. Having asked Mr. Charbashian whether he had permission from the kaimakam to hand in the petition in question and having received a reply in the negative, we declined to accept it. Up to the present our experiences in Suldüz had been far from pleasant and towards evening we learned that not only the two Cossacks and the sowar who had accompanied us as orderlies, but even our ghulams and groom had been prevented by the sentry placed on guard at the gate of the little court-yard in which quarters had been assigned to them from going into the village and had consequently remained without food, none having been supplied to them by the authorities. An attempted denial of this fact by the persons responsible for these proceedings elicited a strong expression of opinion on our part as to the want of veracity of the latter, which again gave rise to some unpleasantness between Captain Reshid Bey and ourselves. The matter was eventually arranged, but we felt that the treatment accorded to our men could not be allowed to pass over without a strong protest on our part.

During the last few minutes of our stay at Rahdané an order, evidently of some importance, was received by Captain Reshid Bey, by whom it was immediately communicated to the officers of our escort. The order in question may possibly have not been unconnected with the later stage of the negotiations in Constantinople respecting our escort, information concerning which reached us the following day in a telegram from the Russian Ambassador forwarded on to us from Urmia.

Note on Suldüz.—The military forces at Rhadané at the time of our visit consisted of one battalion of the 107th Regiment of the VIth Bagdad Army Corps, a buluk of the same regiment, we were informed by Captain Reshid Bey, together with six guns, being stationed at Nagadeh.

The head-quarters of the 107th Regiment (composed under the new system of three battalions) are at Serdesht, the latter place being also the residence of the commander of the regiment, Lieutenant-Colonel Sabri Effendi.

On the second night of our stay in Soujboulak fifty-two artillerymen with four guns passed through the town on their way, we were informed, from Serdesht to Rahdané. It may further not be without interest to note that the officers with whom we came into contact in the occupied districts were almost without exception Kurds or of Kurdish extraction.

We presume from what we saw at Suldüz that special importance is being attached to that district by the Turkish authorities, who, it is rumoured, intend to carry the telegraph line, which now ends at Pasve, to Rahdané, and to make the latter place the administrative centre.

We learned subsequently that the "new law" * had in fact been promulgated in Suldüz by Colonel Ahmed Refik Bey, commissioner of the second (southern) part of the Persian frontier, during his visit to the district in the spring of this year.

The land question in Suldüz would appear to be very complicated, the Turkish authorities, it was frequently stated to us, endeavouring apparently to curtail the rights of the original Karapapak (Shiah) proprietors, who have Persian leanings, and to grant privileges both to the Sunni Kurds and the labouring class, no taxes having been paid by the latter for some years past.

We left Rahdané at 6:40 P.M., our road taking us by the villages of Farrokh-Zad (vulg. Farguzad) and Mamakan in the plain of Suldüz. At 9 P.M., at a point about three quarters of an hour before reaching the village of Kose-Kariz (Persian), our Turkish escort left us, the limit of territory in Turkish occupation being the range called Behramli Dagh dividing the Soujboulak district of Shahre-Veran (inhabited by the Debokri clan) from the lower course of the Gadir Chai. At Kose-Kariz, where we rejoined our escort, which had been led by the Turks so as to avoid carefully all inhabited places, we passed the night.

July 10. Having sent on our caravan to Soujboulak, we proceeded ourselves over Inderkash, a large village belonging to Hadji Ilkhani, of the Debokri tribe, and were most hospitably entertained by the son of the proprietor. We reached Soujboulak at 6:30 P.M.

H. S. SHIPLEY.
V. MINORSKY.

Soujboulak, July 20, 1911.

P.S.—We have just been informed from a trustworthy source that the indefatigable Behdjet Bey, frontier commissioner of the IVth Corps, has appeared in Suldüz (belonging to the VIth Corps) endeavouring to obtain new mazbatas signed by the Karapapaks, as the chiefs of this tribe declined the proposal on the ground that, if Suldüz was Turkish territory, no plebiscite was required, while, if it still belonged to Persia, their marbatas of allegiance might be the cause of difficulties afterwards. The commissioner, dissatisfied with this reply, is said to have gone back and to have summoned Baiz Pasha (Mangur), Mustafa Khan (Zerza), and Aziz Khan (of the Suldüz Kurds), and to have urged them to bring pressure to bear on the Karapapaks with such means as might be at their disposal.

We think it necessary to mention this new system of a plebiscite in the occupied districts and to place on record the above rumours, which may afterwards prove to be true.

H. S. S.
V. M.

[Original with Russian Consul-General, Tabreez.]

* Persian text of the new law annexed.—V. M. (Not reproduced.)

Enclosure 2 in No. 387.

Petition from the Karapapak Chiefs of Suldaz to the Russian and English Delegates.

(Translation.)

15 Redjep (July 11, 1911).

WE, the undersigned Karapapak chiefs, holding Persian rank and distinctions, have been Persian subjects from our grandfathers downwards. Moved by patriotism and by the desire of maintaining the rights of Persia we emigrated from the Caucasus and by the order of the Persian Government settled in Suldaz. The public revenues of this last-mentioned district were assigned to us by Persia on consideration of our furnishing to the Government 400 horsemen. As to our landed property it was acquired to us by purchase. At the present time the whole of Suldaz is our personal property. We, the Karapapaks, number 10,000 families. It is now more than five years since the Turks, having violated the frontier, have usurped possession of our lands. Were we to enumerate the losses and the oppression which we have suffered during these five years, it would form a diary of a thousand pages. To such a degree of destitution have we been brought that we have no means remaining to enable us to emigrate to Central Persia. Now, having heard of your arrival, we rejoiced and got ready to meet you with full honours with our Karapapak horsemen and, on the same occasion, to lay before you our innumerable misfortunes. The Turkish officials strictly forbade us to do this and not one of the Karapapaks was able to come to meet you. Gradually there have gathered together some 800 families of Kurds, Jews, and Armenians who have lived under our protection. It was these who were brought together to meet you for the purpose of creating a demonstration and of leading you into error. Instructions were given them what to say. Documents bearing seals were compulsorily obtained in order to be presented to you. Notwithstanding all this, we Karapapaks, cannot renounce our love and sincere sentiments for Persia, our fatherland; we desire to live in our own country and with our own nation (Shiahs). To beg in our own country is better than to obtain honours in Turkey. We specially address ourselves to you. We have no strength left to endure Ottoman oppression. Now that you are visiting this frontier we conjure you by our need to have pity on the condition of these 10,000 houses. If the Turks, without any right, seize this land, help us to emigrate into Central Persia, so as to escape violence done to us in our property and persons. We would beg our way in the other parts of Persia. . . . You possess both mercy and pity. This petition has been presented by all the chiefs, military officers and landowners of the Karapapak tribe.

(Here follow 36 seals.)

H. S. S.
V. M.

[33747]

No. 388.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 139.)

Sir,

Gulahek, August 5, 1911.

WITH reference to my despatch No. 122 A of the 15th ultimo, I have the honour to report that on receipt of your telegram No. 213 of the 21st ultimo I informed the Treasurer-General that Major Stokes would have to resign his commission in the Indian army before accepting the appointment as commander of the Treasury gendarmerie. When informing Major Stokes in the same sense I strongly deprecated his resigning his commission, pointing out to him that his appointment to the post which had been offered to him, the duties of which were not confined to the south of Persia, would be sure to provoke the objections of Russia, and that these objections, which we might not be able to oppose, might lead to the cancelling of his contract, in which case he would be in a most unfortunate position. I found him, however, firmly resolved to resign, provided that satisfactory provision were made as regards a pension on the expiry or the cancelling of his engagement. No provision for a pension had been made by the Medjliss at the time that the Treasurer-General had been empowered by that body to engage Major Stokes, and further reference to the Medjliss was therefore necessary. There was some hesitation on the part of the Cabinet in taking this step. The Russian Minister had intimated to the Minister for Foreign Affairs that the proposed appointment of Major Stokes would be most unwelcome to Russia, a fact of which his Excellency

must have been already aware, and his Excellency had felt it necessary to disclaim any responsibility for the appointment, which, he declared, had been proposed without the knowledge of the Cabinet. Mr. Shuster pressed the Cabinet to pass the pension arrangements through the Medjliss, but his insistence was of no avail until the advent to power of the new Democrat Cabinet. That Cabinet took office on the 25th ultimo, and provision for Major Stokes's pension was voted on the 29th ultimo. As reported in my telegram No. 300, Major Stokes tendered his resignation from the Indian army on the following day.

In obedience to your instructions I told the Minister for Foreign Affairs on the 29th ultimo that I had heard that if Major Stokes accepted the post which had been offered to him he might be employed in a military capacity against the ex-Shah, and I pointed out to his Excellency that if he were so employed it might afford an excuse for Russian officers to take an active part on the other side. On the 2nd instant, on receipt of your telegram No. 221, I delivered a more formal warning. I informed the Minister for Foreign Affairs—leaving an *aide-memoire* with his Excellency—that Major Stokes had been required to resign his commission before taking up his appointment under the Persian Government. I reminded his Excellency that the appointment had been made irrespective of His Majesty's Government, who would have preferred to have been first consulted in the matter, and I warned his Excellency that the employment of Major Stokes in military service in any active operations in the north of Persia might involve political considerations, and that His Majesty's Government could not oppose any objections which might be taken to it.

When I first informed my Russian colleague, on the 7th ultimo, of the offer which had been made to Major Stokes he took it with comparative complacency. Indeed, he gave me at the time the impression that he saw in the appointment a welcome opportunity for securing compensating appointments for Russian officers. However, a day or two later he told me that he had telegraphed to his Government and to Count Benckendorff urging the objections to the appointment, and that he had told the Persian Government that he would recommend his Government to demand some equivalent. This warning, while it sufficed, as reported above, to give pause to Sipahdar's Cabinet, had no effect on the ultra-nationalists who succeeded it, and by the time M. Poklewski was authorised to say something definite from his Government the Medjliss had already voted the pension arrangements for Major Stokes. The vote was passed on the morning of the 29th ultimo, and it was only that afternoon that M. Poklewski told the Minister for Foreign Affairs that his Government would ask for compensation if Major Stokes were appointed. Judging from Major Stokes's demeanour when I saw him last this warning does not seem to have had much effect, for he seemed quite confident that his contract would be signed as soon as his resignation from the Indian army had been accepted.

I have, &c.

G. BARCLAY.

[33748]

No. 389.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 140.)

Sir,

Gulahek, August 8, 1911.

IN my despatch No. 114 of the 10th ultimo respecting the conflict which had arisen between the Treasurer-General and the Administrator-General of Customs, I reported that as a result of a meeting arranged by the Minister for Foreign Affairs between Mr. Shuster and M. Mornard, both of these two gentlemen had declared themselves satisfied, and I have little doubt that had Mr. Shuster and M. Mornard alone been concerned, the matter might have been considered closed.

But, as you are aware, the Russian Minister had been instructed to insist on the maintenance of the *status quo*, and when certain payments to the Cossack brigade, the upkeep of which is a charge on the northern customs, fell due, and M. Mornard wrote to Colonel Vadbolski that these payments would henceforward be made by the Treasurer-General, M. Poklewski addressed a note to the Persian Government insisting that all fixed charges under the Russian Bank Consolidation Agreement of the 31st December (13th January) last should be paid as heretofore by the Administrator-General of the Customs. At the same time that M. Mornard had written to Colonel Vadbolski he had also written to certain of the foreign representatives in a similar sense in regard to certain payments in which they were interested, and which had

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hitherto been made by the Administrator-General of the Customs. This step elicited protests from the German and French Ministers and the Italian chargé d'affaires. In contrast especially with the German protest which contained a distinctly offensive reference to Mr. Shuster, my Russian colleague's note was most courteously worded, and I am given to understand that its tone has materially increased the chances of Mr. Shuster's yielding.

In your telegram No. 203 of the 13th ultimo you directed me to consult with my Russian colleague with a view to bringing about an understanding between M. Mornard and Mr. Shuster. It was evident in view of the attitude of the Russian Government, as disclosed in Sir G. Buchanan's telegram No. 149, that no matter how far M. Mornard would personally be prepared to fall in with Mr. Shuster's pretensions, it was imperative that the latter, if his position was not to be made impossible by Russia, must yield to M. Poklewski's demands, and I urged this most strongly upon the Minister for Foreign Affairs the last time I saw him on the 2nd instant. I pointed out to Wossuk-ed-Dowleh that it was of no practical advantage to Mr. Shuster to handle funds ear-marked under an international arrangement for specific charges. It was therefore for Mr. Shuster merely a question of *amour-propre*, and he would be wise to yield. Wossuk-ed-Dowleh in reply cited the law of the 13th June, which he said vested all Government payments in the Treasurer-General. I observed that this law could not override an international agreement, and suggested that if the law conflicted with the Russian Bank's consolidation arrangement, it should be amended. Wossuk-ed-Dowleh promised to do what he could with Mr. Shuster, and asked me to use my influence with him also. I have since sent Mr. Shuster a message urging upon him the desirability of yielding, and his reply leads me to hope that he will not prove uncompromising. Meanwhile, the Belgian chargé d'affaires is awaiting developments before presenting the note mentioned in my telegram No. 275 of the 21st ultimo.

M. Poklewski and I are to meet Mr. Shuster at dinner on Friday at the house of Mr. Moore, the "Times" correspondent. An opportunity is therefore at last afforded to my colleague and me of using our personal influence with a view to saving him from kicking against the pricks. It is most unfortunate that he was not properly coached on his arrival by the American Minister on the international factors of the situation. I fear that the advice given him by his friends outside of his legation has been mainly in the sense of ignoring these, and that his desire to stand well with the Medjliss has made him a ready recipient of these imprudent counsels.

I have, &c.

G. BARCLAY.

[33749]

No. 390.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 141.)

Sir,

Gulahek, August 8, 1911.

I HAVE the honour to transmit herewith an extract from a despatch which I have just received from His Majesty's vice-consul at Resht, giving certain information regarding the landing of Mohammad Ali Shah and particularly respecting the Turkomans, which bear on the question how far the ex-Shah is likely to receive support from these tribesmen.

I have, &c.

G. BARCLAY.

Enclosure in No. 390.

Vice-Consul Rabino to Sir G. Barclay.

(No. 10.)

(Extract)

Resht, August 1, 1911.

I HAVE the honour to transmit to you herein what information I have been able to obtain about the ex-Shah's return to Persia, and the chiefs, tribesmen, and mountaineers on whose support he no doubt relies in his bid for the throne.

(a.)—*Departure of the ex-Shah for Gumish Teppe.*

Mohammad Ali Mirza landed at Gumish Teppe on the 17th July. He is said to have suddenly left Vienna for Petrovsk under an assumed name, and to have chartered

at that port a steamer to take him and some twelve attendants direct to Gumish Teppe, the Turkoman port of the province of Astrabad.

He is said to have shipped on this steamer seventy packages, most of these containing arms and ammunition.

There may be some exaggeration as to the number of packages, but anyone cognisant of the stringent regulations respecting the departure of steamers and shipment of luggage for the eastern and south-eastern ports of the Caspian can have no doubt that the Russian custom and police or passport officials were either instructed to connive at the Shah's departure for Persia, or heavily bribed to close their eyes.

(b.)—*Turkomans.*

The Turkoman tribesmen have always been in favour of autocratic rule; their ideal governor is the Ala-ed-Dowleh who, while in their very midst, had two of them blown off from the mouths of his guns, notwithstanding their protestations that they were Russian subjects.

When I visited the Turkomans in December 1909 they expressed to me their surprise at Mohammad Ali Mirza not having sought refuge amongst them after the events of the 13th July.

Some of the younger tribesmen exclaimed: "We would lay waste the whole country from here to the capital."

It was evident also that being Sunnis they did not readily submit to a Parliament which, according to their views, is subservient to the dictates of a few Shiah mujtehd.

Their sentiments soon became known to Mohammad Ali Mirza, who entered into regular correspondence with their chiefs, to whom he sent his portrait and various presents.

The Anjuman of Astrabad and the various governors appointed to that province since the accession of Sultan Ahmad Khan have done nothing either to conciliate the Turkomans or to put a stop to their depredations.

The latter waxed so bold as to enter the city at night and steal from the Government stables the governor's own saddle horses. It was openly rumoured that they had done this at the invitation of the Anjuman.

The Jafarbai and the Attabai Yamuts are the wealthiest and best mounted Yamuts, and although the Kan-Yukhmaz are the greatest ruffians, yet the boldest freebooters are to be found amongst the young fellows of the two former sections, who, having no means of their own, are compelled to obtain by raids in the neighbourhood the funds necessary to their future happiness, i.e., the acquisition of an alachik (tent) and the purchase of a wife.

The Jafarbai and Attabai have, however, no longer that freedom of action which afforded them immunity from reprisals. Since the last thirty years their fixed settlements have increased in number and in size. Gumish Teppe, Khojeh Nefes, Umchali, Bash-Yuzkheh, are all settlements of importance, in which "tans," or wooden villas, and stores crowded with merchandise are everywhere to be seen.

It is, therefore, no longer possible for the wealthier sections of the Yamut to remove their camps to the southern banks of the Atrek before entering upon an expedition of any importance.

I consider, therefore, that a great number of them will refuse to leave the Gurgan plain, and that 1,500 is the maximum force which Mohammad Ali Mirza may expect to obtain from the Turkomans; and although at the start these auxiliaries may be of help to the ex-Shah in awing the people into submission, yet in the end their depredations are bound to cause an uprising of the down-trodden peasantry. Should this happen, Mohammad Ali Mirza will find it difficult to obtain food supplies for his men, and this will be the beginning of the breaking up of his force.

Another point of weakness amongst the Turkomans when in the field is their tribal constitution. They still preserve the patriarchal system in its most ancient form, which we may assimilate to the most advanced socialism. No Turkoman is superior to his brother tribesmen.

This principle is carried so far that there is no real redress for any offence (unless the offended party be stronger than the offender), as the elders of the tribe have no power to enforce their decision unless it be by mutual agreement of the parties concerned.

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No. 391.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 142.)

Sir,

Gulahek, August 9, 1911.

SINCE my despatch No. 131 of the 28th ultimo, the ex-Shah has advanced to Sari, the capital of Mazanderan, where his brother Shoa-es-Sultaneh, who had been left behind at Astrabad to raise funds and collect all the arms and ammunition to be found in the town, has rejoined him. The ex-Shah is said to have with him some 1,000 men, mostly Turcomans, and three mountain guns. A further force of 600 men and three guns under Sardar Assad had been advancing along the Meshed-Tehran road and has now occupied Damghan, which it captured after some fighting. A Government force, said to be 1,400 strong, under Sardar Mohi, one of the Sipahdar's lieutenants at the time of the revolution, has been dispatched from Tehran to seize the passes into Mazanderan, in the Firuzkuh neighbourhood, some 70 miles east of Tehran, and it is said to have forestalled Reshid-es-Sultan, who was sent from the north to occupy the passes for the ex-Shah. I understand that the Government do not rely so much on this force for dealing with Mohammad Ali as on one which Yezim, the chief of police, is now organising in Tehran, and which he will command in conjunction with Sardar Bahadur. It is confidently hoped that when this force is ready its leaders will meet with the same success as in their campaign against Rahim Khan in Azerbaijan the winter before last.

Salar-ed-Dowleh is in possession of Kermanshah. He has with him some 6,000 men. Amir Mufakham, Bakhtiari Governor of Burujird, has been ordered to proceed against him. He must have a respectable force, as he has recently been occupied in quelling the Lurs and is reported to have met with some success, but so far there are no signs of his moving on Kermanshah. He is a member of the Haji Ilkhani branch of the Bakhtiari, and fought on Mohammad Ali's side at the time of the revolution, so it would not be surprising if he refused to fight against Salar-ed-Dowleh.

I have, &c.

G. BARCLAY.

[33751]

No. 392.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 143.)

Sir,

Gulahek, August 9, 1911.

WITH reference to my despatch No. 116 of the 11th July, respecting the state of security on the southern roads, I have the honour to report that not only is the Shiraz-Ispahan road still unsafe, but the Bakhtiari road has been subjected to so many robberies that Messrs. Lynch have suspended the forwarding of merchandise. The muleteers, who are already insufficient to deal with the accumulation of goods on that road, which the agent tells me would take about two years to work off, refuse to expose themselves and their animals to the attacks of the Kuhgeluis and Bahmai tribes.

The officials of the Indo-European Telegraph Department at Shiraz also find it impossible to induce muleteers to face the risks of inspection journeys unless an indemnity is guaranteed beforehand for their losses.

His Majesty's consul-general at Ispahan reported on the 8th July that the temporary amelioration noted in my above-mentioned despatch had not been maintained. Reports of robberies on almost all roads in Ispahan territory had been received during the preceding week. On the 15th July Mr. Grahame reported that the "Shiraz postal road was practically deserted, and that any caravans arriving were coming by circuitous routes." This, however, does not ensure safety, as a telegram from Shiraz dated the 29th July states that a caravan of bank specie arriving from Ispahan by the Sarhad road had suffered loss by the theft of cases of 1,500 toman, at Khosrow Shirin, the summer quarters of Sowlet-ed-Dowleh.

Finally, writing under date of the 29th July, Mr. Consul-General Grahame states that, "with the exception of the Yezd road, there is now no trade route considered safe for merchandise."

The losses suffered by Messrs. Ziegler and the action taken by me in regard thereto have been duly reported to you by telegraph, but I have the honour to transmit

herewith copies of despatches from His Majesty's consul-general at Ispahan,* giving further particulars relating to recent robberies both on the Bakhtiari and southern roads, and certain observations received from Messrs. Ziegler's agent in that town, pointing out the detriment to British trade arising from the insecurity of the roads by which Ispahan is furnished with supplies from the south.

In conclusion, I would mention that the safety of the Ispahan-Tehran road is further threatened by the presence of Naib Hussein's men, and that, as reported to you in my telegram No. 301 of the 31st ultimo, Messrs. Lynch have also suspended the transport of goods on that road. They have, however, dispatched merchandise by special caravans which will attempt to reach Tehran by a circuitous route.

I have, &c.

G. BARCLAY.

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No. 393.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 145. Confidential.)

Sir,

Gulahek, August 9, 1911.

THE past few weeks have witnessed a serious recrudescence of anti-Russian feeling in the capital for which the wide-spread conviction that Russia connived at the return of the ex-Shah is accountable, and the tension between the Persian Government and the Russian legation has been little less severe than in the time of Hussein Kuli Khan. This is all the more serious in that Mr. Shuster's activities in disregard of Russian interests have created a situation where Russia is in no mood to be played with, and it is to be feared that her agents in Persia will interpret the neutrality which they are instructed to observe in the present struggle as one of great benevolence towards the ex-Shah—indeed, I am already the recipient of innumerable complaints on this head.

It is this danger, doubtless, which has prompted the attempt reported in my telegram No. 321 of to-day to bring about better relations with Russia.

On the 6th instant a meeting was held of the Cabinet, leading deputies, and other notables to discuss the steps to be taken to this end. As the outcome of this meeting Vosouk-ed-Dowleh called at the Russian legation yesterday and had a frank talk with the Russian Minister of the substance of which the latter was kind enough to inform me. Vosouk-ed-Dowleh began by assuring M. Poklewski of the Persian Government's sincere desire for improved relations with Russia. His Excellency promised to do his utmost to settle the many outstanding Russian cases, but he wished to know in general what attitude on the part of his Government would gain the friendship and support of Russia. M. Poklewski replied that all that Russia required was that the Persian Government should observe a friendly attitude towards her, and should conform to the letter and the spirit of the Anglo-Russian agreement. Such an attitude would result in the settlement satisfactory to the three Powers of such questions as railways, loans, and would meet such difficulties as the proposed appointment of Major Stokes, and other difficulties which he foresaw might arise in connection with Mr. Shuster's work.

Vosouk-ed-Dowleh then expressed dissatisfaction with the attitude of the two Powers towards the present struggle. He said that the declaration of neutrality was generally interpreted in a sense hostile to the Persian Government, as it had been expected that the two Governments would feel bound to support the present régime, and he asked whether our attitude would not have been different if Russia had been satisfied with the Persian Government's attitude. M. Poklewski replied that whatever might have been the case in the contingency mentioned the declaration of neutrality now held good. Vosouk-ed-Dowleh then suggested that the two Powers might change their attitude, and his Excellency requested M. Poklewski to ask his Government whether, if they became convinced that in future the attitude of the Persian Government would be friendly and entirely in conformity with the Anglo-Russian agreement, the Russian Government would consent to give such instructions to its agents in Persia that Russia's neutrality would not be interpreted in a hostile sense to the present régime, and as favourable to the ex-Shah. M. Poklewski promised to telegraph this enquiry to his Government.

* Not printed.

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I have seen the Minister for Foreign Affairs to-day and his account of his conversation with M. Poklewski agreed substantially with the above. I should state, however, that whereas M. Poklewski seemed to have derived the impression from his conversation that we might be able, if his Government gave a favourable answer, to obtain some kind of implicit recognition of our agreement, my talk with Vosouk-ed-Dowleh left me hardly so hopeful. I had in the morning addressed to you two telegrams, Nos. 318 and 319, which showed little disposition on the part of the Persian Government to accept a solution of the difficulty in regard to the appointment of Major Stokes, which would in some measure have implied the recognition of the division of Persia into spheres of interest, and in conversation with me this afternoon Vosouk-ed-Dowleh was clearly very doubtful whether, after his consultation with his colleagues, he would be able to give us assurances which would satisfy us.

I have, &c.
G. BARCLAY.

[33755]

No. 394.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 147.)

Sir,

Gulahek, August 9, 1911.

I HAVE the honour to transmit herewith the usual monthly summary of events in Persia for the past four weeks.

I have, &c.
G. BARCLAY.

Enclosure in No. 394.

Monthly Summary of Events in Persia for the four weeks from July 13 to August 9, 1911.

Tehran.

The Cabinet.—On the 19th July the Sipahdar formed a Cabinet which was composed as follows:—

Prime Minister	Sipahdar.
Minister of Interior	Vosouk-ed-Dowleh.
Minister of War	Semsam-es-Sultaneh.
Minister of Foreign Affairs	Mohtashem-es-Sultaneh.
Minister of Justice	Kavam-es-Sultaneh.
Minister of Finance	Moavin-ed-Dowleh.
Minister of Posts, &c.	Mushir-ed-Dowleh.
Minister of Education	Hakim-ul-Mulk.

This Cabinet did not last more than five days and on the 24th July Sipahdar tendered his resignation, which was accepted by the Regent, and on the 26th July Semsam-es-Sultaneh, the ilkhani of the Bakhtiari tribe, became Premier and presented the following Cabinet to the Medjliss:—

Prime Minister and Minister of War	Semsam-es-Sultaneh.
Minister for Foreign Affairs	Vosouk-ed-Dowleh.
Minister of Interior	Kavam-es-Sultaneh.
Minister of Finance	Hakim-ul-Mulk.
Minister of Justice	Mushir-ed-Dowleh.
Minister of Posts, &c.	Dabir-ul-Mulk.
Minister of Education	Ala-es-Sultaneh.

On the 1st instant Dabir-ul-Mulk resigned and left for Europe. He was succeeded on the 3rd instant by a deputy called Moazed-es-Sultaneh, who had until then never held ministerial office.

Political Arrests.—Shortly after the Medjliss had approved the proclamation of martial law, several political arrests were made, including that of Haji Majd-ed-Dowleh,

K.C.M.G., Amin-ed-Dowleh, and Zahir-ul-Islam. The arrest of Majd-ed-Dowleh was attended with some bloodshed.

The Medjliss.—At an extraordinary sitting convoked on the 19th July the Medjliss was asked by the Cabinet to approve the proclamation of martial law in Tehran and in the provinces, if necessary. The measure was agreed to unanimously. A copy of the law is enclosed in a separate despatch.

The arrival of the ex-Shah Mohammed Ali in Persia on the 17th July, which was the cause of the proclamation of martial law in Tehran, resulted in a temporary coalition of the two principal parties in the Medjliss, namely, the "Moderates" and the "Democrats."

At the sitting of the 29th July the Medjliss unanimously agreed to a motion that 100,000 tomans should be offered to anyone who killed the ex-Shah or arrested him, and 25,000 tomans each with the same object in regard to the ex-Shah's brothers Salar-ed-Dowleh and Shoa-es-Sultaneh. At the same sitting the House unanimously agreed to grant Major Stokes a pension of 250*l.* a-year in case his contract was not renewed after a lapse of three years at which it was fixed.

The Medjliss has lately been occupied chiefly in debating the new electoral law, which is on the basis of direct elections instead of elections through electoral colleges, as was the case at the last general election two years ago.

The Press.—The "Iran-i-Nau," one of the principal Tehran daily papers, was suppressed for about ten days owing to a violent attack on Sipahdar and his Cabinet. It reappeared on the 8th instant with an article dealing with the return of the ex-Shah to Persia, in which England and Russia are accused of complicity with Mohammed Ali.

Tabreez.

1. On the 27th July His Majesty's acting consul telegraphed that Rashid-ul-Mulk, a former Governor of Ardebil, who had been arrested by the local authorities on suspicion of complicity with the rebellious Shahsevans, had been released by the forcible intervention of the Russian consul, who for the purpose had employed a force of Russian Cossacks. The matter is at present forming the subject of conversations between the Persian Government and the Russian Legation.

2. The Government of Tabreez is for the time under Prince Amanullah Mirza, and so far no Governor-General has left Tehran, though Prince Ain-ed-Dowleh has been designated for the post.

Resht.

1. The town is quiet, though there is some excitement owing to the arrival in Persia of the ex-Shah.

2. The Governor of Ghilan, Yamin-ul-Mamalek, is said to have resigned.

Meshed.

1. Sahib Ekhtiar, the Governor-General of Khorassan, left Meshed for Tehran at the end of June. So far no successor to him has been chosen.

2. Rashid-es-Sultan has left Sabzevar, and is now in Mazanderan apparently operating in the interests of the ex-Shah.

3. At the end of July there were continued disturbances in Meshed openly encouraged by the servants of the Russian consul-general.

Ispahan.

1. In transmitting his weekly report on the 8th July His Majesty's consul-general drew attention to the recrudescence of road robberies on almost all the roads in the Ispahan governorship, as also to the maladministration which prevailed throughout the province.

2. On the 23rd July Muin-i-Homayun, brother of Sardar Mohtashem Bakhtiari, left Ispahan for Tehran with about 135 Bakhtiari and some other horsemen. Sardar Mohtashem and Sardar Bahadur are said to be about to leave for Tehran with all the available Bakhtiari. The Governor of Ispahan estimates the number of men under the two khans at 2,000, but this is thought to be an exaggeration.

3. Robberies are reported by Messrs. Lynch Brothers on the Ahwaz-Ispahan road, which has in consequence been temporarily closed to traffic.

Yezd.

1. The new governor, Fakhr-ul-Mulk, left for the hills soon after his arrival, and placed Haji Kavam Divan in charge. The latter has fled to Tehran, and Yezd appears to be without a governor again.

2. The notorious outlaw Naib Hussein is reported to be in the direction of Ardistan with some 250 horsemen.

Shiraz.

The unsatisfactory condition of affairs in the town of Shiraz, reported upon fully in the last summary, has continued without intermission up to the present. Nizam-es-Sultaneh continues to be Governor-General, though when Semsam-es-Sultaneh became Premier it was generally thought that the intention was to dismiss the Nizam at once. The Bulvardis continue to defy the governor, who persists in his attempts to dislodge them from the quarter they have occupied, but so far without success. Firing has been going on intermittently since the 8th July, and on two occasions the Nazim threatened to bombard the rebels. On the 30th July Bahadur-ul-Mulk, one of the Kawam's principal retainers, was murdered by Ata-d-Dowleh's men. The Kashgais have been coming into Shiraz in small detachments, and have plundered villages and houses with impunity. They were encouraged to do this by the Governor-General. The Kavan-ul-Mulk continues to remain in the consulate.

Seistan.

1. Major O'Connor writes from Birjand that the Baluchis have been raiding the Kainat, at the instigation of Hashmat-ul-Mulk. The Arab population of the district streamed into Birjand, and camped round about in their black tents. The leading merchants opened a relief fund for them.

2. A small party of three or four Russian Cossacks, who were returning to Turbat from the borders of the Kainat, whither they had escorted a Russian lady, were attacked by Baluch robbers, and robbed of everything they possessed, including rifles and horses.

3. The roads in the whole province remain unsafe.

Kerman.

1. Sardar Mohy, who was reported in the last summary to have been appointed Governor-General of Kerman, has now been sent in command of troops against the ex-Shah, and Prince Amir Azam has been appointed Governor-General of Kerman in his place.

2. On the 12th July, in consequence of the persecution of the Parsees, about 100 of them took refuge in His Majesty's Consulate. On the 15th July, the weaving establishments having been threatened by the mob, the weavers joined the Parsees in bast at His Majesty's Consulate. On the 17th July, a Parsee refugee who left the consulate to buy food in the town, was shot dead, and his murderer has not yet been apprehended.

Kermanshah.

1. Salar-ed-Dowleh left Kurdistan on the 24th July for Kermanshah where he arrived on the 30th July. In the meantime all the Tehran officials had been expelled from the town which made no resistance whatever to the Prince.

2. A number of persons who took bast at His Majesty's Consulate left on the 29th July, on a guarantee of safety from Daood Khan, the chief of the Dalhur tribe who is supporting Salar-ed-Dowleh.

Hamadan.

His Majesty's Consul at Kermanshah telegraphed on the 1st instant that the Hamadan agent reported grave disorders in the town. He said that killing and plundering was going on and that his colleagues were protecting foreign subjects and flying flags. The agent was instructed by His Majesty's Consul to protect British subjects to the best of his ability, and a flag was sent to him by post.

Bushire.

The district appears to be in a normal condition and there is no news of interest to report.

Mohammerah.

1. The sheikh, accompanied by Hajji Reis, visited Bussorah on the 25th July and returned to Mohammerah the same day.

2. Colonel Cox visited the sheikh on the 4th July.

Ahwaz.

With reference to the trouble between the Bakhtiari protégé Sheikh Farhan, and the Sheikh of Mohammerah, reported upon by telegraph to the Foreign Office last winter, the following extract from a report received from Ahwaz is of interest:—

"Sheikh Farhan Assad who was directed by the Bakhtiari Khans to live on the Amir Mufakham's property in Konak and Gomar, has now been ordered to leave these lands by the Amir Mufakham at the instigation of the Sheikh of Mohammerah. He came to Dizful and took up his residence there. The Sheikh of Mohammerah has, through the intervention of Imad-i-Daftar and the Ulema of Dizful, pardoned Farhan and has requested him to send his brother Abdul Hassan with Imad-i-Daftar to visit him at Mohammerah. They arrived in Nasiri on the 13th June en route to Mohammerah."

G. P. CHURCHILL,
Oriental Secretary.

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No. 395.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 149. Confidential.)
Sir,

Gulahek, August 9, 1911.

I HAVE the honour to transmit herein copy of a letter from Mr. Shuster, the substance of which I had the honour to communicate to you in my telegram No. 322 of this evening, respecting his desire to appoint Major Stokes to organise the Treasury gendarmerie.

I have, &c.
G. BARCLAY.

Enclosure in No. 395.

Mr. Shuster to Sir G. Barclay.

(Purely Personal.)

Dear Sir George,

Tehran, August 8, 1911.

I BEG leave to address you, unofficially, on a subject of great importance to my work here. I have been intensely surprised to learn this evening that your Government has conveyed to the Persian Foreign Minister a note of warning or protest against my proposed employment of Major Stokes in the Treasury gendarmerie. You are doubtless aware of the course of this matter up to the present. Need I say that, in view of the tone of the communication which your Government authorised you to address to me on the 22nd July last, in effect that Major Stokes could accept the position upon resigning from the Indian army, the apparent *volte-face* indicated by their note of to-day is almost incomprehensible.

I recognise that I would have no right to say such things to you in an official communication, and nothing is further from my thoughts than to give offence to anyone, but does your Government quite realise the position in which it is placing me before the Persian people, and their Government is now suddenly joining with another Power to prevent the exercise of the most elemental act of sovereignty by this country whose independence and integrity both of those foreign Powers have solemnly pledged themselves jointly and severally to respect?

My personal feelings are of no importance, but the success or failure of my mission here is of moment both to Persia, which entrusted her financial affairs to my care, and to my countrymen, who are not unnaturally interested in the creditable accomplishment of my task.

Before accepting this work I was given clearly to understand that neither of the

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two principal Powers having interests here offered any objection to my undertaking it, and surely such a statement was something more than an empty pledge.

No one, I am assured, knows better than yourself that the choice of Major Stokes was actuated by no political motive in the faintest degree, and no thinking person could suspect me of any intention to engage in political jobbery here—a thing which would only make me ridiculous and spell absolute ruin for my work.

What, then, am I to think when I see the first vital step which I undertake in the task of bringing order out of chaos here obstructed and relentlessly opposed by the very two nations who have time and again professed their sincere desire to see the progress and prosperity of the stricken country which I am seeking to serve?

Does your Foreign Office fully realise that in adopting its most recent attitude in this affair it is inevitably producing the impression on the Persian people that it is in reality opposed to the successful accomplishment of my work, in addition to forcing me to assume that I can count on no friendly moral assistance from your Government in a vital matter of this kind?

If this were a normal place where well-trained, capable, and experienced men could be had in comparative abundance, the result (though not the principle of your Government's objection) might not be so bad; but here, where, as you know, good men are extremely scarce, the attitude adopted amounts to a virtual veto of my efforts and a nullification of my chances of success.

I hope and trust that in some manner your Government may be brought to see the matter in this light, apart from what, I am frank to say, seems to me a totally uncalled-for interference in the purely routine and internal affairs of the financial organisation which I am endeavouring to build up.

Personally, I feel so strongly on the subject that I am forced to contemplate the necessity of setting right my own countrymen, at least, with a formal public statement of all my experiences in this connection since arriving in Tehran. Needless to say, such a course would be much to my regret, but there is such a thing as just dealing even between Governments and individuals, and certainly in this case I feel that my own record is sufficiently clear to bear the light of the most thorough inspection.

Please pardon me for writing you thus freely, but I know you will acquit me of any desire to offend or to increase the perplexities of your situation. Unfortunately, we all appear to have our peculiar difficulties in this strange land, and the Stokes case happens, likewise, to be one of mine.

With, &c.

W. MORGAN SHUSTER,

Treasurer-General of Persia.

[33758]

No. 396.

Sir G. Barclay to Sir Edward Grey.—(Received August 28.)

(No. 150.)

Sir,

Gulahck, August 9, 1911.

I HAVE the honour to transmit a despatch from His Majesty's consul at Seistan reporting on the recent development of Baluch raids in the Kainat and on the complicity of the Hashmat-ul-Mulk in these disorders.

I have not failed to make representations on the subject to the Persian Government who assured me that they would remove the Hashmat-ul-Mulk from the scene of his activities as soon as they were strong enough to do so.

I shall continue to press the matter upon their attention.

I have, &c.

G. BARCLAY.

Enclosure in No. 396.

Consul O'Connor to Sir G. Barclay.

(No. 10.)

Sir,

Birjand, July 8, 1911.

I HAVE the honour to invite a reference to my telegrams to your address Nos. 53 and 54 dated the 7th July, 1911, reporting for your information the occurrence of riots in the town of Birjand, and of further raids committed by Baluchis in the Southern Kainat.

These events, as you will no doubt surmise, are merely a continuation of the long series of disorders which have been in progress in these normally quiet provinces during the last eight or nine months. Their commencement was reported by Major McConaghey in his diary No. 41 for the week ending the 22nd October, 1910, and a perusal of the Seistan diaries since that date will show how the evil has been gradually spreading and growing ever since. Since I took over the charge of this consulate on the 20th December last, there have been a constant series of raids committed by both Sarhad and Seistan Baluchis in the southern and western districts of the Kainat, and during this interval some thousands of camels and sheep have been carried off, whole villages have been looted and destroyed, crops have been burnt, and a considerable number of women and children have been carried away to an ignominious and disgraceful captivity.

It is scarcely necessary for me to point out that such an unfortunate state of affairs has had the very worst effects upon the general conditions prevailing in the two provinces constituting my consular charge. In the Kainat all sense of security has vanished. During my tour in the eastern districts in the spring, and since arrival here, I have been pestered by applications from various districts and communities for British protection. The inhabitants of the Sunnikhana district on the Afghan border are becoming restless and dissatisfied, and with a very little encouragement would throw themselves upon the protection of Afghanistan, whilst the wretched inhabitants of the southern and western districts are in a pitiable state of fright and destitution. Many hundreds of them have been robbed of every worldly possession they had; their houses have been destroyed; their crops burnt; and in some cases even their wives and children have been carried off. In Seistan, too, the lawless elements have been much emboldened by their heavy booty, and by the perfect impunity with which it has been obtained, and free-booting has now become a popular and fashionable amusement.

This state of affairs naturally reacts also on the public tranquillity of the town of Birjand, the capital of the province of Kaih. For although this town has not yet been actually threatened by the raiders, crowds of villagers keep pouring in with complaints and demands for redress and protection; and the more turbulent of these may, and do, occasion breaches of the peace.

I take for example the occurrence reported in my telegram No. 53 quoted above. As mentioned in my diary No. 25 for the week ending 24th June, a considerable number of the Arab population of the Arab-khana district of the Kainat have been streaming into Birjand during the course of the last two weeks, and have been joined by inhabitants of villages and districts further south. Some of these people, it is true, have no legitimate grounds of complaint beyond vague fears (I shall refer to this point again lower down), but their presence in Birjand has occasioned to the townspeople a sense of insecurity, and constantly threatens disturbances. On Wednesday last (5th July) the Shaikat-ul-Mulk, hearing that these people were assembling in a threatening manner, sent the police and some of his own followers to disperse them. A free fight took place, during which two of the Arabs were killed and some twenty-four wounded; and seven or eight of the governor's men were more or less seriously injured. Just as the trouble began, some of the Arabs came to the vice-consulate asking to be admitted; but Mr. Howson, who at that moment had no reason to believe that they were in any danger, refused to shelter them. Later, when he knew that they had been actively maltreated and fired on, he opened the gates of the vice-consulate, but by that time the fighting was over. The Russian doctor and our hospital assistant are now engaged in treating the wounded, and the trouble has subsided for the moment; but its causes still remain, and further disturbances may confidently be expected at any instant. Meanwhile, fresh reports have come in of a very serious raid committed near Aliabad by a band of 200 Baluchis, who have carried off several thousand sheep, 170 camels, several men, women, and children, and have completely destroyed two Nomad encampments, and killed two men.

It would be idle to try to disguise the fact that a very serious and very disagreeable state of affairs has come into existence during the last few months. An old inhabitant has informed me that it is thirty-seven years since the Baluchis last raided the Kainat, and certainly of recent years this province has been one of the quietest and most orderly in Persia. And I need not emphasise the consideration of how unfavourably such a situation must react upon our commerce with India. By dint of much exertion and heavy expenditure the Government of India has succeeded in creating a small trickle of trade from India to the eastern provinces of Persia via the Nushki route. The total amount is small, never having reached a total of 50,000*l.* in one year; but, such as it is, it is the result of the expenditure of large sums of money and of much individual exertion and enterprise, and its very existence, and small but

healthy progress, testify to the constant tranquillity of the districts which lie on the Persian side of the border. This traffic is now seriously threatened by the existing state of affairs. Large consignments of goods which have recently been passing along the trade route from Nushki to the frontier station at Kuh-i-Malik Sahi, have been lying at that place for some months as merchants are very naturally unwilling to entrust their wares to regions which lie absolutely at the tender mercies of marauding bands of Baluchi brigands.

In my previous reports regarding these raids I have endeavoured to make it clear that they owe their origin simply and solely to the intrigues and rascality of the Hashmat-ul-Mulk, the son of the Hissam-ed-Dowleh (the present head of the old amir's family), and the nephew of the Shaukat-ul-Mulk. The Hissam-ed-Dowleh, as will be remembered, was removed from the governorship of the Kainat in September 1909, and given Seistan in exchange, whilst the Kainat was given to the Shaukat-ul-Mulk. The Hashmat-ul-Mulk (who acts in reality as governor in his father's name) bitterly resented this transference of power, and at first refused point blank to leave the Kainat, and nearly succeeded in creating serious riots in Birjand (see Seistan diaries for October, November, and December 1909).

On first arrival in Seistan the Hashmat-ul-Mulk behaved himself tolerably well, though there is no doubt that he was from the first brooding over his supposed wrongs, and hatching plots for the overthrow of the Shaukat-ul-Mulk and for his own return to the Kainat. Soon after my arrival in Seistan last January I was made aware of the nature of these plots, and the evidence which I have since received of the Hashmat-ul-Mulk's complicity in the raids into the Kainat is overwhelmingly strong, and cannot be gainsaid or set aside. In fact his attitude and policy are matters of common talk all over these provinces, and are no doubt equally well understood at Tehran and Meshed. He, of course, hopes by discrediting the Shaukat-ul-Mulk to have the latter dismissed from his governorship and to return here himself either as governor or as virtual governor under his old father. The plot is a sufficiently transparent and discreditable one, but up to date it has succeeded well enough. The Shaukat-ul-Mulk, who, it must be admitted, is neither a strong nor a capable man, has totally failed to hold the raiders in check, and is now openly reproached by his own people; and there is a strong and growing body of ill-feeling against him which may at any moment come to a head, and which is being openly fanned by the partisans of the Hissam-ed-Dowleh and the Hashmat-ul-Mulk. Such was to a great extent the cause of the recent disturbances in Birjand, for it is known that the Arabs (who had suffered no actual losses) were persuaded to come to Birjand by agents of the Hissam-ed-Dowleh, and whilst here they have been steadily incited to riot and to make complaints against their present governor.

Such is the present position of affairs, and it is to be feared that, if the Persian Government do not take some energetic steps to cope with it, matters will go from bad to worse. The mamsur deputed from Tehran some months ago to enquire into the affairs of Seistan and the Kainat (the Nasr-es-Sultaneh) is now approaching Birjand, and should arrive here in a few days. On his arrival I propose to consult with him, and to endeavour to ascertain his opinions and what powers (if any) he may have to cope with the situation. But, whatever his views on the matter may be (and they will no doubt be influenced by considerations of a nature which appeal particularly to Persian officials), I venture to submit that the only solution for these difficulties is, in my opinion, the complete removal of the Hashmat-ul-Mulk from the scene of his activities. As long as he remains in Seistan, so long will tension exist and outrages continue; whilst to permit him again to have any share in the governorship of the Kainat would be, after the experience of the last few months, to put a premium upon murder and highway robbery.

In submitting this opinion, I do not underrate the difficulties with which the Persian Government has to deal, or their inherent weakness, especially at this distance from the capital. But at the same time I cannot think that the dismissal of the Hashmat-ul-Mulk and his deportation to Tehran or Meshed, is beyond the scope of their power and diplomacy. It is not for me to suggest methods for compassing his downfall, but various expedients peculiar to Persia in such crises will occur to any student of Persian history; and after all, compared with a wealthy and powerful chief like the Kawam-ul-Mulk, the Hashmat-ul-Mulk is only a third-rate rascal, and his removal should present no insurmountable difficulty. And it should also be borne in mind that at least half the country would support the Shaukat-ul-Mulk as soon as it was seen that the Hashmat-ul-Mulk was in trouble, and that effective pressure could at any moment be brought to bear upon the Hissam-ed-Dowleh should his son

prove recalcitrant or threaten to turn "yaghi." In the event of the old man himself (and it is scarcely likely) continuing to intrigue after his son's removal, it would be necessary to take steps to render him innocuous also. But as he is old, feeble, and lazy, it should not be very difficult to coerce or frighten him into good behaviour.

In the interests of peace and quiet, then, and for the sake of our commerce and the tranquillity of our border, I would venture to urge that the Persian Government should be moved to take some energetic measures to bring to book the Hashmat-ul-Mulk. With his downfall and disappearance from the scene these Baluchi raids would, I believe, cease automatically; and if they did not at once stop, a very small expenditure and some display of resolution would soon suffice to bring them to an end. The distance from the Sarhad, and the nature of the intervening country, would render the operations of the Sarhad Baluchis difficult and dangerous should the governors of Seistan and the Kainat agree to work together in opposing them; and as to the Seistan Baluchis, not a man would dare to move a yard towards the Kainat were he not openly encouraged to do so by his own governor.

As to the future governorships of these provinces, should the Persian Government decide to retain the present hereditary rulers, the Shaukat-ul-Mulk might very well be retained in the Kainat, and the Hissam-ed-Dowleh's second son, Sartib Muhammad Resa Khan, appointed to Seistan. Neither of them are strong men, but they are at any rate quiet and law-abiding, and there is no reason to suppose that they could not, as in the past, carry out their duties in a sufficiently satisfactory manner.

A copy of this despatch is being sent to the Government of India.

I have, &c.

N. F. O'CONNOR, Major.

[33764]

No. 397.

Sir G. Buchanan to Sir Edward Grey.—(Received August 28.)

(No. 236.)

Sir,

St. Petersburg, August 22, 1911.

IN continuation of my despatch No. 228 of the 9th of this month, I have the honour to report that in a conversation which I had with the Acting Minister for Foreign Affairs on the 10th instant, I informed his Excellency of the statement which you had made in the House of Commons two days previously, and explained that, pending the reply of the Persian Government to Sir George Barclay's last communication, the question of Major Stokes's appointment would remain in abeyance. I added that should the Persian Government, contrary to your expectation, decline to give way, His Majesty's Government would support Russia were she to demand that the gendarmerie force in North Persia should be placed under the command of a Russian officer or of a subject of a minor Power, whom Russia might designate. As M. Nératof observed that I had omitted to say what His Majesty's Government would do should Major Stokes's appointment not be confined to the south, I pointed out that, if Russia obtained the control of the northern gendarmerie, it naturally followed that Major Stokes would be precluded from trespassing in the Russian zone.

On my calling on M. Nératof two days later to communicate the reply which had just been received from the Persian Government, I found his Excellency in an unusually perturbed state of mind. He had already received a report on the subject from M. Poklewski, so that he had had time to reflect on the situation, while, as he had but just returned from an audience with the Emperor at Peterhof, he was, it is to be presumed, fully acquainted with His Majesty's personal views. After emphasising the serious character of the incident which had so unfortunately arisen, his Excellency proceeded to dwell on the prejudicial manner in which Major Stokes's appointment would react on the effective working of the Anglo-Russian understanding. It would, he said, inevitably create the impression that, as that understanding had failed to stand the test in the present instance, its stability could not be depended on, and that it would fail to answer the calls that might be made on it in the future. What, he asked, would have been said in England had our respective positions been reversed and had it been a Russian officer who had accepted a post in the Persian Government which conferred on him the right to organise and control a gendarmerie force in South Persia?

I replied that his Excellency seemed to have forgotten the various statements which you had made in Parliament, in one of which you had touched on this very point as well as the promise which you had given to support Russia in the matter of

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the northern gendarmerie and the serious warning which you had addressed to the Persian Government. Major Stokes's resignation, moreover, had not yet been accepted nor would it be accepted pending further developments. I did not therefore see what more you could do, nor did I believe that, after all that you had said and done, the Anglo-Russian understanding could in any way be impaired.

M. Nératof, however, adhered to his views which he had already expressed, and said that Russia could do nothing to obtain satisfaction. She might, it was true, intervene by force, but to do so would be to create an entirely new situation, or she might present a demand for an appointment of an analogous nature to that of Major Stokes—such as chief of the staff—but he did not know whether His Majesty's Government would support such a demand. If, however, as was by no means impossible, the ex-Shah remounted the throne, public opinion would, after Major Stokes's appointment, insist on the Russian Government presenting it.

I pointed out that, were Mohammad Ali once more installed at Tehran, both Mr. Shuster and Major Stokes would in all probability disappear from the scene, and as in that case the latter would not command the gendarmerie, Russia would have no reason to ask for a counterbalancing appointment. M. Nératof, however, declared that this would make no difference. It would be maintained, he contended, here that Major Stokes had obtained his appointment owing to the fact that, when an Anglophil Government was in power at Tehran, England seized the occasion to push her interests, and that Russia must likewise profit by the return of a Sovereign who was well disposed towards her to get a Russian officer appointed chief of the staff.

His Excellency concluded by saying that the question raised by Major Stokes's appointment was such a serious one that he could not assume the responsibility of dealing with it by himself, and that he would have to submit it to the Council of Ministers. Before doing so, however, he would make a final appeal to you as, now that I had told him that Major Stokes's resignation had not yet been accepted, he thought that it must be possible for His Majesty's Government either to recall him temporarily to London or to give him some appointment in India. He earnestly hoped that you would consider this, as it would be deplorable were the Anglo-Russian understanding to be impaired for the sake of gratifying the *amour-propre* of this officer.

As M. Nératof was too busy to receive me when I asked for an interview after the receipt of your telegram No. 441 of the 16th instant, I embodied the main points of that telegram in a private letter, of which I have the honour to enclose a copy. In a conversation which I had with him two days later I supplemented what I had said in it by once more impressing on him the fact that His Majesty's Government had had nothing whatever to do with Major Stokes's appointment, and by reminding him of the attitude which you had consistently adopted when unfavourable comments had been made in Parliament respecting the proceedings of Colonel Liakhoff and the retention of the Russian garrison in Persia. I trusted, I said, that his Excellency would on his part exercise the same moderating influence on Russian public opinion whenever, as had recently been the case, the conduct of His Majesty's Government was subjected to unreasonable criticisms.

His Excellency replied that we might count upon his doing so, as there was nothing that he desired more than that the two Governments should always work together, more especially at a moment like the present when affairs in Persia were in such a critical state. He had already instructed M. Poklewski to address a communication to the Persian Government in the terms of the note which had been submitted to you by Count Benckendorff, and to associate himself with Sir George Barclay in urging that Government to entrust the organisation of the revenue gendarmerie to one of the Swedish officers. He would only ask me to convey to you his warmest thanks for having instructed Sir George Barclay to state that His Majesty's Government cannot accept Major Stokes's resignation.

I have, &c.

GEORGE W. BUCHANAN.

Enclosure in No. 397.

Sir G. Buchanan to M. Nératof.

Mon cher M. Nératof,

Saint-Petersbourg, le 4 (17) août, 1911.

JE viens de recevoir un long télégramme du Foreign Office, dont je vous donnerai lecture samedi. Mais, en attendant, je tiens à vous faire savoir que Sir Edward Grey

trouve que le Gouvernement Impérial, ainsi que l'opinion publique en Russie, exagère un peu la portée de l'incident Stokes et paraît regarder la nomination de cet officier comme un fait accompli. Ça n'est pas du tout le cas; et, en outre, le Gouvernement de Sa Majesté n'a rien fait pour justifier l'impression qu'il a voulu assurer la nomination du Major Stokes au poste de chef de la gendarmerie fiscale ou qu'il a consenti à cette nomination. Tout au contraire, le Ministre de Sa Majesté à Téhéran a été chargé, à plusieurs reprises, de faire des représentations au Gouvernement persan à ce sujet et de l'avertir que, si ce dernier persistait à confier à Stokes la tâche d'organiser une gendarmerie nationale pour toute la Perse, le Gouvernement de Sa Majesté reconnaîtrait le droit de la Russie de pourvoir aux mesures qu'elle jugera nécessaires pour sauvegarder ses intérêts.

Sir Edward estime que la Russie ne doit plus tarder à adresser au Gouvernement persan une communication, conçue dans le sens de la note dont le Comte Benckendorff lui a tout récemment soumis le texte, car, à défaut d'une telle protestation de la part de la Russie, le Gouvernement persan sera porté à croire que le Gouvernement de Sa Majesté soit plus royaliste que le Roi en ce qui concerne la défense des intérêts russes en Perse. Pour le cas où le Gouvernement Impérial se décide à faire une telle démarche, Sir Edward Grey sera disposé à renouveler l'avertissement, qu'il a déjà adressé au Gouvernement persan; de lui donner à entendre que la meilleure solution serait de charger un ressortissant d'une Puissance secondaire de l'organisation de la gendarmerie à la place de Stokes, et d'ajouter que, si le Gouvernement persan se montre toujours intransigeant à ce sujet, le Gouvernement de Sa Majesté, vu les objections bien fondées de la Russie, refusera d'accepter la démission de Stokes.

Je vous exposerai plus longuement la manière de voir de Sir Edward Grey samedi, mais je n'ai pas voulu attendre jusqu'à ce jour pour vous faire part d'une communication qui montrera, j'espère, que mon Gouvernement, dans son désir de collaborer loyalement avec la Russie en toute question qui touche aux intérêts des deux pays, est disposé à faire tout son possible pour aller au-devant des désirs du Gouvernement Impérial dans l'affaire dont il s'agit à présent.

Votre sincèrement dévoué,

GEORGE W. BUCHANAN.

[33765]

No. 398.

Sir G. Buchanan to Sir Edward Grey.—(Received August 28.)

(No. 237.)

Sir,

St. Petersburg, August 23, 1911.

I HAVE the honour to transmit to you herewith the text of the Russo-German agreement, which was signed here on the 19th instant by the Acting Minister for Foreign Affairs, M. Nératof, and the German Ambassador, Count Pourtales.

The agreement as it now stands, in its final shape, differs in two important points from the revised draft, of which I forwarded you a summary in my despatch No. 201, Secret, of the 12th of last month. By the addition of a few words to the 2nd article, Germany acquires the right to secure for herself the concession for the Tehran-Khanikin line should neither Russia nor the financial syndicate to whom Russia may delegate her authority have commenced its construction within the prescribed term; while, by the suppression of the 2nd paragraph of the 3rd article, she evades taking any engagement in writing with respect to the construction of railways in the zone situated between the Bagdad line and the Russian and Persian frontiers to the north of Khanikin. As the linking up of the Bagdad Railway with the future Russian railway system in Northern Persia is one of the main advantages which Germany hopes to derive from the agreement, it is not surprising that she should claim the reversion of the concession for the line by which this object is to be effected as a guarantee that the engagement taken by Russia on the subject will not remain a dead letter. On the other hand, the formal recognition of this claim by Russia may, as the "Novoe Vremya" points out, provide direct railway access for German goods to the Persian capital before the construction of the railway from the Russian frontier to Tehran has rendered a similar service to Russian trade. This is after all but a remote danger which Russia should not find it difficult to avert, and her recognition of Germany's right to this reversion is but the logical outcome of her consent to the linking up of the two railway systems.

The omission of the clause in the 3rd article of the Russian draft, embodying the engagements which Germany was to take with regard to the construction of railways

running towards the Russian and Persian frontiers, is a much more important matter. In the conversations which I had with M. Sazonow last winter his Excellency repeatedly assured me that this was a point on which he would not yield, though it might be necessary to replace the clause in question by an exchange of secret notes. When therefore M. Nérotov told me in strict confidence that Germany had given a categorical verbal assurance that she would not build any railways in the zone in question except such as she was entitled to build under the Bagdad Railway Concession, I reminded his Excellency of the language which M. Sazonow had formerly held to me, and expressed my surprise at his being contented with such a verbal assurance as well as at his admitting Germany's right to construct short lines from the Diala towards the Persian frontier, and from Mosul to Arbil in addition to the line from some point on the main line to Diarbekr and Kharput.

His Excellency replied that the two lines to which I had referred were unimportant branch lines of no strategic value, and that the Russian military authorities had waived the objections which had been originally raised to them. After the communication which they had made to the Porte in consequence of the publication of the draft agreement by the "Evening Times," the German Government had declared that it was impossible for them to give any engagement in writing with respect to the railways referred to in the 3rd Article. The insertion in the agreement of a special article respecting these railways was now altogether out of the question, while the secret was sure to leak out should recourse be had to an exchange of notes. The Russian Government had therefore, accepted their verbal assurance. M. Nérotov added that in doing this they had given a moral satisfaction to Germany's *amour-propre*; that the construction of these railways was a matter which really only interested Russia; and that the fact that an engagement had been consigned to writing was nowadays no guarantee that that engagement would be kept.

I remarked that his Excellency seemed to me to underestimate the importance of the two branch lines to which I had drawn his attention, and that in any case I thought the Imperial Government had done more than sufficient to gratify Germany's *amour-propre* by withdrawing their opposition to the whole Bagdad Railway scheme. M. Sazonow, I said, had always told me that whatever might be the interpretation given to the term "Bagdad Railway," Russia would continue to co-operate with us just as much after as before the signature of the agreement, and I should like to know whether his Excellency thought that it would still be possible for Russia to support us should difficulties arise with regard to the construction of the Gulf section. M. Nérotov replied that Russia was under no obligation to facilitate the construction of the railway, and that though she could not now have recourse to methods of direct obstruction, she could still co-operate with us in many ways and give us her indirect support. Though his Excellency's language was not very clear on this point, I gather that Russia would still be able to support any scheme which we might put forward with regard to the construction of the Gulf section, even though it did not meet with Germany's approval.

The agreement, taken as a whole, must undoubtedly be regarded as a diplomatic success for Germany, and a retrospect of the various phases of the negotiations, which have extended over the past nine months, does not tend to enhance the reputation of those who have conducted them on Russia's behalf. The initial mistake was committed when M. Sazonow allowed himself to be entrapped, during his conversations with M. Kiderlen, into giving verbal assurances of which he did not at the time realise the full significance. This was due to his want of experience as a negotiator and to his not weighing his words, rather than to the deliberate intention of throwing over the other two members of the Triple Entente. Thus, without any previous consultation with them, he had pledged Russia to withdraw her opposition to the Bagdad Railway scheme, and though he subsequently endeavoured to restrict this engagement to the Konieh-Bagdad line, it was clear from the outset that Germany would hold him to the strict letter of his bond. His disregard of the understanding on which the three Governments had hitherto acted that no individual member of the Triple Entente was to conclude an arrangement with Germany till the other two had obtained satisfaction for their respective claims, the vacillation and deplorable weakness which he displayed in the discussion over the Khanikin-Tehran line, and the uneasiness created by the vague assurances which he had exchanged at Potsdam to the effect that neither Russia nor Germany would join any combination that could in any way be directed against the other, all combined to produce the impression that a serious blow had been struck at the stability of the Triple Entente. Fortunately these fears proved to be unfounded; for, despite his occasional back-slidings, M. Sazonow was at heart a

firm advocate of the maintenance of that understanding. M. Nérotov, who took up the threads of the negotiations when M. Sazonow was incapacitated by illness, is equally sound on this point, though he has been obliged to follow in M. Sazonow's footsteps and to make further graceful concessions to Germany. He assures me, however, that there is absolutely nothing kept back that does not appear in the published text of the agreement, beyond the verbal assurances given by Germany respecting railway construction to the north of Khanikin, and that since the German Chancellor made his statement in the Reichstag last winter nothing more has been said about the combinations into which Germany and Russia should refrain from entering.

The signature of the Russo-German agreement at this juncture has come somewhat as a surprise, as it was generally expected that the negotiations would have dragged on for weeks, if not for months. The reason for this acceleration is probably to be found in the present critical state of international politics. To have signed an agreement with Russia at a moment when she is engaged in a very delicate conversation with France is no doubt regarded by Germany as a valuable asset; while M. Kiderlen may congratulate himself on having scored a success which will strengthen his position with his countrymen, should he eventually decide to content himself with a moderate portion of the compensation which he originally demanded from France. Russia, on the other hand, is watching with keen interest the development of the situation in Persia, and, as it is impossible to foresee at present what may be the outcome of the crisis through which that country is passing, she is no doubt well pleased to have concluded an arrangement under which Germany leaves her a free hand in northern Persia.

I have, &c.

GEORGE W. BUCHANAN.

Enclosure in No. 398.

Russo-German Agreement.

LES Gouvernements russe et allemand, partant du principe de l'égalité de traitement pour le commerce de toutes les nations en Perse; considérant, d'une part, que la Russie possède dans ce pays des intérêts spéciaux et que, d'autre part, l'Allemagne n'y poursuit que des buts commerciaux; se sont mis d'accord sur les points suivants:—

ARTICLE 1^{er}.

Le Gouvernement Impérial d'Allemagne déclare qu'il n'a pas l'intention de rechercher pour lui-même ou d'appuyer en faveur de ressortissants allemands ou de sujets étrangers—au nord d'une ligne partant de Kasri-Chirin, passant par Ispahan, Yezd et Khakik et aboutissant à la frontière afghane à la latitude de Ghazik—de concessions de chemins de fer, de routes, de navigation et de télégraphes.

ARTICLE 2.

De son côté, le Gouvernement russe, ayant en vue d'obtenir du Gouvernement persan une concession pour la création d'un réseau de voies ferrées dans le nord de la Perse, s'engage à demander, entre autres, une concession pour la construction d'une voie qui doit partir de Téhéran et aboutir à Khanékine pour raccorder sur la frontière turco-persane ledit réseau à la ligne Sadidjé-Khanékine, dès que cet embranchement du chemin de fer Koniah-Bagdad aura été achevé. Une fois cette concession obtenue, les travaux de construction de ladite ligne devront être commencés dans deux ans au plus tard après l'achèvement de l'embranchement Sadidjé-Khanékine et terminés dans le courant de quatre années. Le Gouvernement russe se réserve de fixer en son temps le tracé définitif de la ligne en question tout en tenant compte des desiderata du Gouvernement allemand à ce sujet. Les deux Gouvernements faciliteront le trafic international sur la ligne Khanékine-Téhéran, ainsi que sur celle de Khanékine à Bagdad, en évitant toutes mesures qui pourraient l'entraver, telles que l'établissement de droits de transit ou l'application d'un traitement différentiel. Si, au bout de deux années à partir du moment où l'embranchement Sadidjé-Khanékine du chemin de fer

Koniah-Bagdad aura été achevé, il n'est pas procédé à la construction de la ligne Khanékine-Tchéran, le Gouvernement russe avisera le Gouvernement allemand qu'il renonce à la concession se rapportant à cette dernière ligne. Le Gouvernement allemand sera libre dans ce cas de rechercher, de son côté, cette concession.

ARTICLE 3.

Reconnaissant l'importance générale qu'aurait pour le commerce international la réalisation du Chemin de Fer de Bagdad, le Gouvernement russe s'engage à ne pas prendre de mesures visant à en entraver la construction ou à empêcher la participation de capitaux étrangers à cette entreprise, à condition, bien entendu, que cela n'entraîne pour la Russie aucun sacrifice de nature pécuniaire ou économique.

ARTICLE 4.

Le Gouvernement russe pourra confier l'exécution du projet de la ligne de chemin de fer reliant son réseau en Perse à la ligne Sadidjé-Khanékine à un groupe financier étranger à son choix, au lieu de la faire construire lui-même.

ARTICLE 5.

Indépendamment de la manière dont la construction de la ligne en question sera effectuée, le Gouvernement russe se réserve le droit à toute participation aux travaux qu'il pourrait désirer, ainsi que celui d'entrer en possession dudit chemin de fer, au prix des frais réels encourus par le constructeur. Les hautes parties contractantes s'engagent, en outre, à se faire participer mutuellement à tous les privilèges de tarifs ou d'autre nature que l'une d'elles pourrait obtenir à l'égard de cette ligne.

Dans tous les cas les autres stipulations du présent arrangement resteront en vigueur.

[33766]

No. 399.

Sir G. Buchanan to Sir Edward Grey.—(Received August 28.)

(No. 238.)

Sir,

St. Petersburg, August 23, 1911.

IN a conversation which I had with the Acting Minister for Foreign Affairs just after the signature of the Russo-German agreement, his Excellency informed me that the publication of the text of the agreement in the semi-official "Rossia" would be accompanied by an article on Russia's position with regard to the 4 per cent. customs increase and the Triple Entente.

The article duly appeared in the issue of the 20th August. It is mostly devoted to a recapitulation of the terms of the agreement, and the only points that call for attention are passages in which is given what may presumably be taken to be the official Russian interpretation of certain of its provisions.

With regard to the preamble, for instance, it is stated that the term "special interests" must evidently be understood to mean "the interests of a political, strategical, and economic character" which Russia possesses in Persia in virtue of her geographical position. It will be remembered that in the original draft the words used were "special political interests," and that the word "political" was omitted from the text as eventually adopted for signature.

The period allowed for the completion of the Tehran-Khanikin line is somewhat vaguely stated in article 1 of the agreement, which might be interpreted as allowing either four or six years for the completion of the line. The "Rossia" article shows clearly that the Russian interpretation is that two years are allowed for obtaining the concession and a further four years for the actual work of construction.

With regard to article 3 the semi-official article states that the reserve as to pecuniary and economic sacrifices which Russia couples with her promise not to impede the Bagdad Railway scheme refers clearly to the proposed 4 per cent. customs increase.

In a somewhat cryptic paragraph the article then refers to the wider scope of the Potsdam conversations, in which the interests of the two Powers in the Near East, as well as in Persia, were discussed. The present agreement, it says, does not give

expression to all the conclusions arrived at by the two statesmen at Potsdam, but, nevertheless, the friendly relations established at Potsdam remain in full force, and give Russia, as well as others, an undoubted right to reckon on an entirely friendly policy on the part of Germany in questions of railways and other matters affecting the political, economic, and strategic interests of Russia.

The article then asserts that the agreement in no way changes the grouping of the European Powers, and concludes with the words: "The Franco-Russian alliance and the Franco-Anglo-Russian understanding remain, as formerly, the firm basis of the policy of the Russian Government."

I have, &c.

GEORGE W. BUCHANAN.

[33767]

No. 400.

Sir G. Buchanan to Sir Edward Grey.—(Received August 28.)

(No. 239.)

Sir,

St. Petersburg, August 23, 1911.

THE publication of the Russo-German agreement with regard to Persia has, in general, been received coldly by the St. Petersburg press, and M. Nératof appears to be somewhat disappointed by the absolute lack of any display of enthusiasm.

The "Novoe Vremya" breathes a sigh of relief on at last being delivered from the long strain of uncertainty, but otherwise has little of good or ill to say of the agreement. It points out, however, that Germany's declaration of political "désintéressement" is merely a repetition of her assurances with regard to Morocco, and wonders whether it will prove any more binding.

The article compliments Russian diplomacy on its action in including in the zone, in which Germany undertakes not to seek concessions, the small strip of neutral territory along the Afghan frontier. It thinks this will tend to prevent complications, since, theoretically at least, it will exclude German adventurers from that region. It has also a good word to say for Russia's reserve as to her pecuniary and economic interests with regard to the Bagdad Railway, which will enable her to withhold her consent to any increase of the Turkish customs dues destined for the purposes of the railway.

It criticises sharply the arrangement with regard to the Tehran-Khanikin line, and says that the only chance left for Russia is to build the trans-Persian line to India as speedily as possible. Otherwise Russian traders in North Persia may as well shut up shop and return home, for their places will be taken by Germans.

The "Rech," which is always violently against the Government, takes the view that "Russian trade in Persia has been sacrificed." It cites Algieras and Morocco as standing warnings, and concludes with the taunt that the date of the publication of the agreement was chosen in order to humiliate Russia in the eyes of her ally France, and to give Germany a breathing space in the ridiculous position in which she found herself in the Morocco negotiations.

The "Bourse Gazette" remarks sarcastically that in the agreement "obligations are distributed evenly—at least, numerically speaking." Russia has lost everything that she once possessed in Persia, but this is due rather to the lethargy and greed of Russian traders than to any fault of Germany, who has only acted in accordance with modern notions and left out of consideration everything but her own material interests. The paper does not think that Germany will follow her Moroccan tactics in the case of the Russo-German agreement, as the maintenance of good relations with Russia is a political dogma of the German Emperor.

The "Sviet," the organ of the Nationalists and the Right, says that the balance of the agreement is much in favour of Germany, but nevertheless welcomes it as putting an end to the long period of suspense and in the hope that it may induce Russia to wake up and build her own railway into Persia and so save it from the Germans.

The "Zemschina," the organ of the Extreme Right, takes an unexpectedly anti-German view. It points out that, with any considerable development of German trade in Persia, Germany, whatever she may say now, is bound to have political interests in that country. The dangerous part of the agreement is that in which a limit is set for the construction of the Tehran-Khanikin line. The article urges the immediate construction of railways in Persia, but warns its readers against being carried away by fantastic schemes, such as the line to India. What is required is a cheap type of line to carry goods at slow speed.

Articles still continue to appear in many of the papers, but the above brief summaries of the published views of the chief papers of widely different political complexion are, I think, sufficient to show that the agreement has not been hailed with enthusiasm in any quarter.

I have, &c.
GEORGE W. BUCHANAN.

[34042]

No. 401.

India Office to Foreign Office.—(Received August 29.)

Sir, *India Office, August 28, 1911.*
WITH reference to this Office letter of the 24th October last, I am directed by the Secretary of State for India to forward, for the information of the Secretary of State for Foreign Affairs, copy of a letter that has been received from the Government of India, recommending the expulsion from that country of a Persian subject, Seyyid Jalal-ud-Din, on account of the objectionable tone of the "Habl-ul-Matin" newspaper edited by him in Calcutta.

It does not appear to the Marquess of Crewe that the situation has altered very materially since Viscount Morley decided in October last not to take extreme measures against the editor. It is true that he has indulged in an attack on His Majesty's consul at Shiraz which exceeds the bounds of reasonable criticism, and if he were to continue such attacks upon individual officers some action might be forced upon His Majesty's Government. But so long as the editor confines himself to general attacks upon the policy of the two Powers, and so long as there is no reason to suppose either that the attacks will cease or that the opinions of the paper will carry less weight if it is edited outside of India, his Lordship is not prepared to sanction his removal, and, with Sir E. Grey's concurrence, he proposes to inform the Government of India to that effect.

I am, &c.
R. RITCHIE.

Enclosure in No. 401.

Government of India to the Marquess of Crewe.

(Secret.)

My Lord Marquess,

Simla, August 3, 1911.

WE have the honour to invite a reference to the correspondence ending with your predecessor's telegram, dated the 19th October, 1910, negating a proposal by Lord Minto's Government for the expulsion from British India of Seyyid Jalal-ud-Din, the editor of the Persian newspaper "Habl-ul-Matin," published at Calcutta.

2. The tone of the paper has for long been consistently objectionable, and has recently become more so, and we are forced to the conclusion that the time has arrived when action against the editor can be no longer deferred.

3. The "Habl-ul-Matin" has been established at Calcutta for a period of about twenty years. Seyyid Jalal-ud-Din is a Persian subject, and is therefore a "foreigner," and subject to the Foreigners Act (Act No. III) of 1864.

In December 1897, under instructions from the Bengal Government, Seyyid Jalal-ud-Din was produced before the Commissioner of Police, Calcutta, and admonished for seditious articles which had appeared in the paper during the previous month. In 1899, Sir Mortimer Durand, at that time His Britannic Majesty's Minister at Tehran, drew attention to the offensive writing in the paper, and recorded the opinion that sensible harm resulted, as the paper was more read in Tehran than any other Mahomedan publication. In January 1905, Colonel Cox, political resident in the Persian Gulf, made a similar representation to the Government of India. He reported that he had just returned from a tour via Shiraz and Ispahan, the Bakhtiari country, and Mohammerah, and found that the "Habl-ul-Matin" was the source from which the majority of educated persons whom he had met in the country traversed obtained information, and as its tone was the reverse of friendly to our interests he suggested that the editor should be subsidised with a view to inducing him to adopt a less hostile attitude.

4. In May 1905, Sir Arthur Hardinge brought to notice a most mendacious and malicious article which had appeared in the "Habl-ul-Matin," and later in the same

[33644]

No. 400*.

Sir Edward Grey to Sir G. Lowther.

(No. 307.)

(Telegraphic.) P.

Foreign Office, August 28, 1911.

ACQUAINT Porte with contents of Sir G. Barclay's telegrams Nos. 353 and 358 of the 25th August respecting action of Turkish consul at Bushire with regard to registration at Lingah, and remonstrate strongly against his proceedings. Out of courtesy to Turkish Government we consented to latter representing their interests, and insulting attitude of Turkish consul to him is an offence against His Majesty's Government, and we trust action of consul will be disapproved forthwith by Porte, and that he will be instructed to offer an apology to His Majesty's vice-consul.

Reason for these wholesale registrations as Turkish subjects of persons who are really Persian subjects is unintelligible to us.

[1505]

year Colonel Cox brought to notice further hostile attacks on the British Government. Lord Curzon's Government were, however, of opinion that the time had not yet arrived for taking action against the editor. During the autumn of 1905 the paper continued to publish articles denouncing British policy towards Persia with special reference to the proceedings of the Seistan Mission. His Majesty's Minister, Tehran, was of opinion that the articles in question were likely to cause ill-feeling in Persia, and, in informing us that the Mushir-ed-Dowleh had complained, he asked if a warning could not be given to the editor to avoid making mischief. A serious warning was accordingly administered to the editor, who declared that he had himself never written against the mission, and that if any such articles had appeared they were cuttings from other papers or letters from correspondents, for which he was not responsible. He, however, apologised "if anything had inadvertently appeared in his paper contrary to the distinctly friendly attitude which he had always adopted, and wished always to adopt, towards the British Government." If any improvement resulted it was short-lived. The tone of the paper became bitterly Anglophobe during the Anglo-Russian negotiations of 1907 in regard to Persia, and in December 1907 and January 1908 articles appeared which perilously approached instigation to the murder of reactionaries in Persia, and even the ex-Shah himself. The Government of India thereupon consulted the Honourable the Advocate-General as to the possibility of taking action against the editor in a court of law, but were advised that the publication of the articles was not an offence punishable under the Indian Penal Code.

5. Objectionable articles continued to appear, aimed, however, rather against Russia than Great Britain, and in November 1909 His Majesty's Minister, Tehran, drew attention to the issue of the paper, dated the 27th September, and enquired if it would not be possible to induce the paper to moderate its tone. The purport of the article complained of was to the effect that Great Britain and Russia were combining to destroy Persian independence; that Russia unaided was powerless, but that Great Britain, moved by fear of Germany and by a desire of territorial aggrandisement, was inciting Russia against Persia; that Great Britain was not really in sympathy with national movements toward independence (*vide* the cases of Egypt and the Transvaal); that Persia should appeal to Germany, Turkey, and America, and boycott Russian and English manufactured goods. A suggestion was made in the article that a "Society of Union" should be established between the German and Persian nations at Berlin, in order to check Great Britain and Russia in violating Persian rights. As it was understood that the editor was contemplating transferring himself and his paper to Tehran, and as a proposal to subsidise or deport the editor had recently been disapproved, no action was taken.

6. The attitude of the paper continuing to be unfriendly and offensive to Russia, and in a less degree to ourselves, in May 1910, with the approval of His Majesty's Government, the editor was warned that, unless the tone of the articles was moderated, orders would be issued under the Foreigners Act for the editor to remove himself from British India.

The editor again expressed his regret, and for a time the tone of the paper became less hostile to ourselves, but very offensive to Russia. A final warning was given to the editor orally at the end of August 1910, when he said that he could not maintain his influence in Persia without abusing Russians and English, and hinted that he had received an invitation to go to Berlin. In a telegram, dated the 28th September, to your Lordship's predecessor, we instanced the latest state of the case, and stated that we proposed to take action against the editor without delay unless there were anything in the situation at Tehran to make his expulsion undesirable at the moment. His Majesty's Government, however, held that extreme measures were unnecessary, and that so long as the Russian Government made no complaint it would not be easy to justify expulsion on the ground that the paper was in the habit of publishing attacks on a foreign Power.

7. Emboldened by past immunity, Seyyid Jalal-ud-Din has of late renewed his anti-British attitude in the columns of his paper. We enclose a few of the most recent of the articles, which are open to the gravest exception, and we also enclose representations from our political resident in the Persian Gulf and from the Government of Bengal on the subject.*

8. We are of opinion that it is most undesirable any longer to allow Seyyid Jalal-ud-Din an asylum in India, whence he can continue to fabricate and disseminate such malicious attacks against ourselves and a friendly Power. The "Habl-ul-Matin" has much influence in Persia and Turkish Arabia—an influence gravely detrimental to

* Not printed.

British interests, and as the editor has not profited by our warnings we are constrained to recommend that the action which we contemplated in September 1910 should now be taken, and we invite your Lordship's consent to direct Seyyid Jalal-ud-Din to remove himself from British India forthwith.

We have, &c.

HARDINGE OF PENSHURST.
O'M. CREAGH.
GUY FLEETWOOD WILSON.
J. L. JENKINS.
R. W. CARLYLE.
S. H. BUTLER.

[34169]

No. 402.

Sir G. Louther to Sir Edward Grey.—(Received August 29.)

(No. 194.)

(Telegraphic.) P.

Constantinople, August 29, 1911.

PROCEEDINGS of Turkish consul at Lingah.

I have acted as instructed in your telegram No. 307 of the 28th August. Hakki Pasha informs me he has heard nothing of the affair, but assures me he will have enquiries made without delay.

[33683]

No. 403.

Foreign Office to Board of Trade.

(Confidential.)

Sir,

Foreign Office, August 29, 1911.

WITH reference to Foreign Office letter of the 22nd instant, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a further telegram from His Majesty's Minister at Tehran relative to the claim of Messrs. Andrew Weir and Co. and Ellinger and Co. against the Persian Government in connection with the shipment of red oxide from Hormuz.*

I am to state that Sir E. Grey would be glad to receive any observations which the Board of Trade may wish to offer on this communication and on the enclosed draft of a telegram which he would propose, with their concurrence, to address to Sir G. Barclay in reply.†

I am, &c.

LOUIS MALLET.

[34110]

No. 404.

India Office to Foreign Office.—(Received August 30.)

Sir,

India Office, August 29, 1911.

I AM directed to advert to Lieutenant-Colonel Cox's letter of the 25th July last to the Secretary of State for Foreign Affairs, enclosing copy of Lieutenant Wilson's report on his survey of the route for a railway from Mohammerah to Khorremabad.

Until the views of the Government of India are received the Secretary of State for India does not think it necessary to express an opinion on the conclusions arrived at by Lieutenant Wilson in his very interesting and valuable report; but he wishes to suggest that in any negotiations that the Persian Railways Syndicate may engage in in respect of this line the rights and interests of the Sheikh of Mohammerah should not be overlooked. From this point of view it is for consideration whether along with their application to the Persian Government they should not simultaneously apply to the sheikh.

Sir E. Grey will no doubt consider the desirability, at a later stage, of communicating to the syndicate some of the results obtained by Lieutenant Wilson.

I am, &c.

R. RITCHIE.

* No. 360.

† Draft telegram to Sir G. Barclay.

[34237]

No. 405.

Sir G. Barclay to Sir Edward Grey.—(Received August 30.)

(No. 364.)

(Telegraphic.) P.

Gulahek, August 30, 1911.

EX-SHAH movement.

Nasr-ul-Mulk informs me that a force of the ex-Shah has been defeated at Firazkuh by the Government troops. Former are reported to have had 100 casualties.

A further victory for the Government troops is reported near Baladeh, 50 miles north-east of Tehran, in Mazanderan. It is stated that the enemy were completely routed.

[33701]

No. 406.

Sir Edward Grey to Sir G. Barclay.

(No. 249.)

(Telegraphic.) R.

Foreign Office, August 30, 1911.

YOUR telegram No. 362 of 26th instant, paragraph 2.

Will remainder of receipts be banked with Imperial Bank?

I am consulting India Office, but if Russian Government are satisfied have no objection in principle.

(Repeated to St. Petersburg, No. 474.)

[33565]

No. 407.

Mr. Mallet to Mr. C. Greenway.

Dear Mr. Greenway,

Foreign Office, August 30, 1911.

THE Departments interested have now had time to consider your letter of the 11th August, enclosing a précis of the proposed terms of the draft contract which the Persian Railways Syndicate are submitting to the Persian Government.

The system on which the contract as at present drafted is based (that described in the third paragraph of your letter) has the disadvantage that the Persian Government would be able at any time, if they could produce the money, to buy out your syndicate at two years' notice. Apart from this, the system indicated is doubtless preferable from every point of view to that described in the succeeding paragraph, and the objection to it which I have noted above might be met by providing that bonds should not be redeemed otherwise than by the operation of the sinking fund, and that the redemption should not proceed at more than a prescribed rate during a given period of years. I see from the amended draft of the contract which was actually telegraphed to Tehran (enclosed in your letter of the 16th August), that you have inserted in article 7 a provision to the effect that the sinking fund of 1 per cent. shall not come into operation for a period of five years after the opening of the line to traffic, and it appears from a letter which we have received from the Board of Trade that the syndicate would favour the insertion of a further provision that the Persian Government's payment towards a sinking fund for the redemption of the bond issue should not during a period of twenty or twenty-five years exceed the rate of 1 per cent. This would secure to the syndicate a tenure of twenty-five or thirty years in all, and, in our view, obviate the sole objection to the scheme, more especially in view of the fact that the chance of the Persian Government being able to pay off the bonds is exceedingly remote.

I observe that in article 7 of the revised draft the words "uncharged surplus of" are inserted before the words "the customs duties of Southern Persia." This amendment anticipates an objection which we should have had to make.

As regards article 16, His Majesty's Government contemplate surveying the Bushire-Firuzabad-Shiraz road, with a view to the possibility of adapting it for motor traction. If it is decided that this is practicable and desirable, and if the plan is carried out, some arrangement could no doubt be arrived at with the syndicate.

We do not like the inclusion of article 22 in the contract. It would of course be impossible to avoid a recourse to His Majesty's Minister in practice if a dispute had to be settled through the diplomatic channel, but it seems to us undesirable thus to appoint him as arbitrator. In a dispute between the Persian Government and the

syndicate he would certainly be suspected by the former of bias in favour of the latter, and he would be placed in the invidious position of being both judge and advocate. Could it not be provided instead that disputes, if they cannot be settled by negotiation, should be referred to one of the other foreign representatives selected by the two parties?

Yours sincerely,
LOUIS MALLET.

[33416]

No. 408.

Foreign Office to Persian Transport Company.

Sir,

Foreign Office, August 30, 1911.

I AM directed by Secretary Sir Edward Grey to inform you that he has received a telegram from His Majesty's Minister at Tehran embodying a report from His Majesty's consul at Ahwaz transmitted to Sir G. Barclay through His Majesty's consul-general at Bushire, relative to the condition of the Luristan road.

This report states that the road is quite safe for caravans, that the merchants of Khorramabad are anxious to induce muleteers to use it, and that such favourable conditions have not prevailed since Messrs. Lynch acquired the concession. Lieutenant Ranking accordingly urges that Messrs. Lynch should be pressed to send a representative over the road at once with a view to prompt action towards its completion before the expiration of the delay already granted.

I am, &c.
LOUIS MALLET.

[34346]

No. 409.

Sir G. Barclay to Sir Edward Grey.—(Received August 31.)

(No. 365.)

(Telegraphic.) Decode.

Tehran, August 31, 1911.

YOUR despatch No. 78 of 13th July.

Following telegram has been received from Kerman, No. 24 :—

"Roads between Kerman and Bunder Abbas extremely insecure; large consignments carpets in Kerman ready for dispatch. Acting governor offers escorts, but declines responsibility. Some twelve Europeans purpose leaving Kerman for Bunder Abbas this autumn; their departure in many cases matter of necessity, but I cannot assure them any prospect change for better, nor obtain assurance from governor that they will be adequately protected. Danger not only from Fars, but from Baluchis said to be preparing send in Narmashir and Jiruft, and tribes in Kerman province likely profit by opportunity offered by general disorders in country."

[34355]

No. 410.

Sir G. Barclay to Sir Edward Grey.—(Received August 31.)

(No. 366.)

(Telegraphic.) P.

Gulahek, August 31, 1911.

MESSRS. SELIGMAN and Persian Government.

In reply to your telegram No. 249, dated the 30th August, I have the honour to state that Colonel Beddoes is unwilling to give me a general undertaking that remainder of receipts will be lodged at the Imperial Bank of Persia. He, however, assures me that it is intended for the present to bank surplus with the Imperial Bank. He is in consultation with Treasurer-General.

In view of Colonel Beddoes's attitude, I submit that we should do well to obtain further details of the objects to which it is intended to devote the surplus of the loan, with regard to which the determining voice will be with Messrs. Seligman's representative appointed *ad hoc*, before promising our moral support to the contractors. The intention to establish a bank is suggested by the phrase "development of commerce and agriculture."

[34356]

No. 411.

Sir G. Barclay to Sir Edward Grey.—(Received August 31.)

(No. 367.)

(Telegraphic.) P.

Gulahek, August 31, 1911.

SALAR-ED-DOWLEH. Reference to my telegram No. 350, dated the 24th August.

I learn from vice-consul at Sultanabad that Salar-ed-Dowleh is accompanied by a force of some 10,000 men, composed of various tribesmen, including Kalhors. It is believed that he intends to march on Kazvin after having occupied Hamadan.

It is further reported that Amir Mufakham, the Bakhtiari Governor of Luristan, has now started from Burujird for Hamadan. Persian Government have repeatedly ordered his Excellency to proceed against Salar-ed-Dowleh.

[34357]

No. 412.

Sir G. Barclay to Sir Edward Grey.—(Received August 31.)

(No. 368.)

(Telegraphic.) R.

Tehran, August 31, 1911.

FOLLOWING from His Majesty's consul-general at Bushire :—

"A large raiding force of Baharhlu tribesmen, said to have with them two captured field guns, are threatening Bunder Abbas. His Majesty's ship 'Perseus' arrives at Bunder Abbas to-day with reinforcement of thirty men for consular guard in case they are needed, and will take such further measures, as in previous cases, as may prove necessary for protection of foreigners. Instructions have been given for issue of warning to leaders."

I have approved.

[32723]

No. 413.

Foreign Office to Board of Trade.

(Confidential.)

Sir,

Foreign Office, August 31, 1911.

WITH reference to the letter from this Office of the 20th July respecting the proposed Trans-Persian Railway, I am directed by Secretary Sir Edward Grey to state that he would be glad to learn the opinion of the Board of Trade on the question whether His Majesty's Government would be justified in undertaking to guarantee the line.

A complete file of the correspondence exchanged on this subject, some of which has not yet been communicated to the Board, is transmitted herewith for their information and to assist them in forming a conclusion.

I am, &c.
LOUIS MALLET.

[32723]

No. 414.

Foreign Office to Treasury.

(Confidential.)

Sir,

Foreign Office, August 31, 1911.

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copies of correspondence respecting a proposal for the construction of a Trans-Persian railway, and to state that he would be glad to learn the opinion of the Lords Commissioners of His Majesty's Treasury on the question whether His Majesty's Government would be justified in undertaking to guarantee the line.

I am, &c.
LOUIS MALLET.

[34435]

No. 415.

Messrs. Ellinger and Co. to Foreign Office.—(Received September 1.)

Sir, 28, Oxford Street, Manchester, August 31, 1911.
 WITH further reference to the Hormuz concession, the Muin now cables us as follows:—

"Meet Persian Legation; are instructed to investigate the claim thoroughly; telegraph the result."

To which we propose replying that the matter is in the hands of His Majesty's Government and that we cannot interfere, and we shall be glad to hear if Sir Edward Grey approves of this.

We shall of course be prepared at any time to afford the Persian Legation any information or any explanations which His Majesty's Government may think it desirable we should furnish to them.

We are, &c.
 ELLINGER AND CO.

[34481]

No. 416.

Sir G. Barclay to Sir Edward Grey.—(Received September 1.)

(No. 370.)
 (Telegraphic.) P.

Gulahek, September 1, 1911.

MESSRS. SELIGMAN and Persian Government.

In continuation of my telegram No. 366 of the 31st August, I have the honour to report that Colonel Beddoes has, after consultation with the treasurer-general, given me the following undertaking:—

"It is proposed both by the treasurer-general and by the contractors to lodge the surplus of the receipts of the loan at the Imperial Bank of Persia, and neither of them have any other intention with regard to this balance."

When handing me this assurance Colonel Beddoes pointed out that as the Imperial bank, unlike the Banque Nationale d'Escompte, is a private concern, and its solvency is uncertain during the forty years during which the loan contract will run, he was unable to give me any more precise undertaking on this point unless His Majesty's Government guaranteed the account.

[33741]

No. 417.

Sir Edward Grey to Sir G. Louther.

(No. 240.)

Sir, Foreign Office, September 1, 1911.

I TRANSMIT to your Excellency herewith copy of a despatch from His Majesty's Minister at Tehran,* forwarding copies of correspondence relative to the situation at Kasr-i-Shirin, near the Turco-Persian frontier, with special reference to the interests of the Anglo-Persian Oil Company in that neighbourhood.

I have to call your Excellency's attention to paragraph 11 of the report of Mr. Wilson, His Majesty's consul at Mohammerah, relative to reported intrigues of the Turkish consul at Kermanshah, having for their object the restoration to Turkey of the province of Zohab, and to request you to inform me whether you are able to obtain any confirmation of the rumours in question.

I am, &c.
 E. GREY.

* No. 382.

[33978]

No. 418.

Foreign Office to India Office.

Sir, Foreign Office, September 1, 1911.

WITH reference to previous correspondence relative to surveys in connection with road and railway construction in Southern Persia, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's consul-general at Bushire,* asking the sanction of His Majesty's Government to a proposal to send the commercial adviser to His Majesty's consulate-general on a journey to Shiraz during the present month with the object of studying the distribution of imported goods beyond that place and of its cost, of estimating the consumption of imports in those regions and the natural resources of the country.

I am to state this suggestion appears to Sir E. Grey to be a useful one, and that he would accordingly propose, subject to the concurrence of the Marquess of Crewe, to convey his approval of it to Lieutenant-Colonel Cox by telegraph.

I am to add that, in view of the urgency of the matter, Sir E. Grey would be glad to receive an early expression of Lord Crewe's views on the subject.

I am, &c.
 LOUIS MALLET.

[33701]

No. 419.

Foreign Office to India Office.

Sir, Foreign Office, September 1, 1911.

WITH reference to previous correspondence relative to the financial situation of Persia, I am directed by Secretary Sir Edward Grey to transmit to you herewith copies of telegrams exchanged with His Majesty's Minister at Tehran with respect to a loan of 4,000,000*l.* which it is proposed that a British group should make to the Persian Government.†

I am to enquire whether the Marquess of Crewe sees any reason why His Majesty's Government should object to the terms proposed, as reported by Sir G. Barclay, provided that the Russian Government are satisfied with them.

I am, &c.
 LOUIS MALLET.

[34491]

No. 420.

Board of Trade to Foreign Office.—(Received September 2.)

(Confidential.)

Sir, Board of Trade, September 1, 1911.

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 29th August, transmitting copy of a telegram from His Majesty's Minister at Tehran relative to the claims to be made against the Persian Government in connection with the shipment of red oxide from Hormuz, together with a draft of a telegram in reply.

With regard thereto the Board desire me to suggest, for the consideration of Sir E. Grey, that the proposed telegram might with advantage be amended in the manner indicated in red ink on the draft, which is returned herewith.

The amendments to the first two paragraphs have been made with a view to avoiding the suggestion, which appeared to be conveyed in the original draft, that the contract between the Muin and Messrs. Weir and Ellinger had been broken willingly by the former, whereas, so far as the Board are aware, there is no reason to suppose that, but for his forcible dispossession by the Persian Government, the relations between the Muin and the firms named would not have been maintained unimpaired.

With regard to the final paragraph of the draft, the Board are inclined to think that the separate presentation of any portion of the claim is undesirable, as likely to

* No. 385.

† Nos. 363, 370, 371, and 406.

give an impression that His Majesty's Government regard that portion as less important, and so to facilitate its rejection.

I am, &c.
GEO. J. STANLEY.

[34625]

No. 421.

Persian Transport Company to Foreign Office.—(Received September 2.)

3, Salters' Hall Court, Cannon Street, London,
September 1, 1911.

Sir,
I HAVE the honour to acknowledge the receipt of your letter of the 30th ultimo, and thank you for the information conveyed therein regarding the condition of the Luristan road.

As mentioned in my letter of the 24th instant, my board contemplated commencing operations on this route when the question of the extension of the period of the concession for constructing the road has been settled. Meanwhile, we have instructed our Tehran agent to make arrangements for the company's engineer to proceed to Luristan in order to make a survey of the route, and our agent at Tehran has telegraphed us on the 24th instant to the effect that the engineer in question will probably accompany the Sagwand migration.

I am, &c.
(For Secretary),
GEORGE CLARKE.

[34654]

No. 422.

Sir G. Barclay to Sir Edward Grey.—(Received September 2.)

(No. 371.)

(Telegraphic.) R.

Tehran, September 2, 1911.

MY telegram No. 348 of 21st August.

In reply to his telegram reporting Shuster's proposals, Russian Government have asked Russian Minister to obtain exact particulars as to Treasury gendarmerie, its numbers and duties.

These instructions, although dated 23rd August, only reached Russian Minister yesterday, telegraph having been cut by ex-Shah's forces.

[34655]

No. 423.

Sir G. Barclay to Sir Edward Grey.—(Received September 2.)

(No. 372.)

(Telegraphic.) R.

Tehran, September 2, 1911.

MY telegram No. 365 of 31st August: Bunder Abbas-Kerman road.

Two further robberies reported. In one British Indian losses amount to 7,000 tomans. In the other 197 bales of carpets, &c., belonging to Castelli and others were captured. All but thirty-three bales were recovered by a local chief, who demands one-third of value before delivering recovered goods.

[34656]

No. 424.

Sir G. Barclay to Sir Edward Grey.—(Received September 2.)

(No. 373.)

(Telegraphic.) P.

Gulahek, September 2, 1911.

MESSRS. SELIGMAN and Persian Government.

In continuation of my telegram No. 366 of the 31st August, I have the honour to report that I am categorically informed by Colonel Beddoes that no portion of the proposed loan will be utilised to start a bank in Persia.

[34491]

No. 425.

Sir Edward Grey to Sir G. Barclay.

(No. 251.)

(Telegraphic.) P.

HORMUZ oxide.

Your telegram No. 254 of the 25th August.

The dispossession of Muin-ut-Tujjar by the Persian Government seems to me to be the ultimate ground of all the claims. If this had not taken place, Muin would probably not have broken his contract with Weir and Ellinger. The Persian Government have, so far, failed to give convincing grounds for their action in dispossessing Muin in the communications they have made to His Majesty's Legation, however justified their action may have been in fact. If the contract had not been broken Muin would no doubt have continued to employ Ellinger as his agent, as ceasing to do so would have brought him no advantage.

It seems undesirable to deliver a separate note to the Persian Government respecting Ellinger's claim for loss of agency, since the two bases of claim are really identical.

Foreign Office, September 2, 1911.

[33741]

No. 426.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, September 2, 1911.

WITH reference to your letter of the 3rd ultimo and previous correspondence relative to the situation at Kasr-i-Shirin, I am directed by Secretary Sir E. Grey to inform you that he has received the report of His Majesty's consul at Mohammerah on his visit to that place.

I am to state that Mr. Wilson came to the conclusion that the complete removal of Kerim Khan from the district was desirable on many grounds, and that any attempt on his part to come to an amicable settlement of your company's dispute would make it difficult for His Majesty's Legation to make the demand he recommends. For this reason Mr. Wilson, with the full concurrence of Mr. Soane, the company's agent at Kasr-i-Shirin, decided not to visit Kerim Khan.

In forwarding the report His Majesty's Minister at Tehran states that he will not fail to press the Persian Government for the removal of Kherim Khan as soon as they have recovered some vestige of their authority in the district in question. At present Daoud Khan, who is all powerful at Kasr-i-Shirin, and who, Mr. Wilson thinks, might not be averse to the ejection of Kerim Khan, is with the rebellious Prince Salar-ed-Dowleh now in full possession of Kermanshah. Consequently there is nothing to be done for the present.

Sir G. Barclay also refers to the proposal made by your company in your letter of the 20th June, to the effect that they should come to some pecuniary arrangement with Kerim Khan, and give notice to the Persian Government that the amount would be deducted from the royalty payable under article 10 of the concession.

A somewhat similar proposal made by your company with reference to the Sheikh of Mohammerah was, as you are aware, deprecated by Sir G. Barclay (see the letter from this Office of the 19th January last), and he is of opinion that, in the present case the Persian Government would strongly protest against such a step which would obviously create a precedent, leading perhaps to the ultimate absorption of their share of the profits. They would be inspired by mistrust of the company whose work they could easily find means of hindering within the letter of their convention (e.g., by insisting on the exclusion of Hindu labour). Moreover, if the Government had recourse to arbitration it could easily be proved that their failure to control Kerim Khan at the present juncture is due to *force majeure* and not to the negligence of the central authority.

In Sir G. Barclay's opinion it would be desirable to defer any act such as that proposed by your company to emergencies where their interests were seriously threatened on an important scale and where the factors were really under the control of the central Government.

[1505]

4 M

I am to add that Sir E. Grey concurs in the view expressed by Sir G. Barclay on this point.

I am, &c.
LOUIS MALLET.

[34670]

No. 427.

Sir G. Lowther to Sir Edward Grey.—(Received September 4.)

(No. 593.)

Sir,
Constantinople, August 24, 1911.
WITH reference to Mr. Marling's despatch No. 425 of the 18th June, I have the honour to forward herewith a despatch from His Majesty's consul at Erzeroum, reporting the withdrawal of the Ottoman troops from Bulak Bashi.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 427.

Consul McGregor to Sir G. Lowther.

(No. 62. Confidential.)

Sir,
Erzeroum, August 14, 1911.
WITH reference to my despatch No. 93, Confidential, of the 15th November, 1910, I have the honour to report that, according to a despatch received by the Russian consulate-general here from the acting Russian vice-consul at Bayazid, the Turkish Government has, in consequence of representations by the Russian Ambassador at Constantinople, withdrawn its troops from the Bulak Bashi, as well as from all other points north of Bulak Bashi, with the exception of Sarinj, a position in Persian territory and close to the foot of the Lesser Ararat. I am, however, informed that this withdrawal is not considered by the Turks as a recognition of Persian rights over the disputed territory.

I have, &c.
P. J. C. MCGREGOR.

[34892]

No. 428.

Sir G. Barclay to Sir Edward Grey.—(Received September 4.)

(No. 374.)

(Telegraphic.) P. Gulahek, September 4, 1911.

SALAR-ED-DOWLEH.

Please refer to last paragraph of my despatch No. 142 dated the 9th August.

M. Poklewski learns from Russian consul at Kermanshah that the Lurs have thrown in their lot with the Prince, and that His Highness has given the governorship of Burujird to his father-in-law the Lur chief, Naser Ali (Sardar Ahram).

Russian consul further reports that Amir Mufakham had left Burujird, but it is not clear whether he intends to fight Salar-ed-Dowleh or to join him. He is now within striking distance of Salar in the Malair district.

[34898]

No. 429.

Sir G. Barclay to Sir Edward Grey.—(Received September 4.)

(No. 375.)

(Telegraphic.) P. Gulahek, September 4, 1911.

TURKS at Lingah.

Reference to my telegram No. 358 of the 25th August.

Lieutenant-Colonel Cox telegraphs as follows, No. 209, dated the 3rd September:—

"I learn that Nebill Zia is preparing to sail for Europe by German steamer due to-morrow at Bushire. In view of recent events I trust you may be able to induce Turkish Embassy to detain him at Bushire until he has offered an apology to His Majesty's vice-consul at Lingah."

Turkish Ambassador, when I urged him to send the necessary instructions, informed me confidentially that to do so would cause him great personal embarrassment, and that he was doubtful whether his orders would be carried out. Appointment of consul has, his Excellency went on to say, been cancelled on account of his many difficulties with His Majesty's consulate-general at Bushire. His Excellency has, further, addressed me a letter containing an expression of regret at the discourteous attitude of Nebill Zia. In these circumstances, I think it better not to insist further on detention of Turkish consul at Bushire.

[34355]

No. 430.

Sir Edward Grey to Sir G. Barclay.

(No. 252.)

(Telegraphic.) P.

Foreign Office, September 4, 1911.

IN view of your telegram No. 366 of the 31st August respecting the Seligman loan, you may remind Beddoes of the conditions of our approval referred to in my telegram No. 116 of the 10th April. Do you think Shuster should be informed? What is your view as to stipulating for application of some portion of loan to meet our claims, including Schneider?

[34346]

No. 431.

Sir Edward Grey to Sir G. Barclay.

(No. 253.)

(Telegraphic.) P.

Foreign Office, September 4, 1911.

PENDING establishment of gendarmerie, would it be possible to give local tribesmen subsidy to keep open the roads, or one of the roads, between Kerman and Bunder Abbas, insecurity of which is reported in your telegram No. 365 of the 31st ultimo? What temporary measures can you suggest?

[32959]

No. 432.

Foreign Office to Persian Transport Company.

Sir,

Foreign Office, September 4, 1911.

IN accordance with the request contained in your letter of the 24th ultimo, I am directed by Secretary Sir E. Grey to transmit to you herewith a copy of such portions of the report of His Majesty's consul at Mohammerah on the Luristan road as are not confidential.

I am, &c.
LOUIS MALLET.

Enclosure in No. 432.

Lieutenant Wilson to Lieutenant-Colonel Cox.

(Extract.)

Bushire, July 27, 1911.

I HAVE the honour to address you on the subject of the opening of the Luristan road, for which the Persian Transport Company hold a concession.

2. The question has assumed fresh importance during the year owing to—

(1.) The approaching expiry of the period in which the company was obliged, on pain of cancellation of the concession, to complete the road;

(2.) The entry into the region of practical politics of a Mohammerah-Khoremad railway;

(3.) The energetic action taken by the Bakhtiari Governor-General of Luristan, the Amir Mufakham, to restore order in Luristan.

3. It seems desirable, therefore, that I should recapitulate briefly the main facts regarding the caravan route. Cart-road possibilities have already been discussed in my report on the proposed Arabistan-Luristan railway. The route which should be

adopted for a caravan track from Dizful to Khoremad is undoubtedly that via the Kiyalan Pass and onwards to Burujird via Zagheh. It is this route which commended itself to the common sense of previous road makers, and was recommended by Captain Lorimer when His Majesty's vice-consul for Arabistan. The distance from Dizful to Khoremad by this route is approximately 124 miles, in eight stages, as follows:—

Kal'eh Husainieh.
Kal'eh Riza.
Birinjar.
Sargul.
Mishwand.
Kal'eh Nasir.
Chimashk.
Shahin Shah.
Khoremad.

Serais are in existence, and are in good repair at Chimashk and Shahin Shah, and in fair order at Kal'eh Nasir and Kal'eh Riza, leaving four new ones to be erected by the company. The road is already practicable for loaded mules, and no great outlay would be necessary to put into very fair order. No large bridges are necessary, but three or four small ones are needed, which can be built at small expense by local labour of local material.

The Amir Mufakham, Governor-General of Luristan, has assured me of his desire to see the road opened by us, and of his readiness to assist us, provided that he receives definite and categorical orders on the subject from the Central Government.

His active measures to restore order in his province, and the success that has up to now attended his efforts, give every reason to hope that he will soon be in a position to make good his promises.

The best possible guarantee that he will bestir himself, and the best chance of his giving effect to the scheme, will be afforded by the deputation to Luristan of an engineer by the Persian Transport Company, empowered to negotiate, and provided with the necessary orders from the Central Government to the Governor-General. A competent engineer once on the spot difficulties will vanish in the face of a determined effort to get the thing done.

4. At the same time, it cannot be denied that the Persian Transport Company have more reason at the present moment than, perhaps, at any previous time to hesitate before embarking on this enterprise. They have not as yet obtained an extension of their concession, though were they to start work promptly, they might still get the road into working order before the 22nd August, 1912. For 70 miles or so the caravan track does not correspond with the proposed cart track alignment, which diverges between Kal'eh Riza and Birinjar, and runs to Jaidar across the Kashgan to Madian Rud, and thence to Khoremad.

5. I am of the opinion that the company should, for the present, deal with the tribes through the Governor-General, and not direct, as the chiefs are quite untrustworthy and incapable of enforcing compliance by their followers with the terms of any agreement which they may conclude.

[34998]

No. 433.

Treasury to Foreign Office.—(Received September 5.)

Sir,

Treasury Chambers, September 4, 1911.

IN the circumstances represented by Secretary Sir E. Grey in Mr. Mallet's letter of the 23rd ultimo, the Lords Commissioners of His Majesty's Treasury sanction the charge to Imperial funds of one-half (114l. 15s. 4d.) of the sum expended on the provision of a Maxim gun for the defence of the buildings of His Majesty's consulate at Bunder Abbas.

I am, &c.
T. L. HEATH.

[34974]

No. 434.

India Office to Foreign Office.—(Received September 5.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 25th August, relative to reinforcements for the Shiraz consular guard.

India Office, September 4, 1911.

Enclosure in No. 434.

The Marquess of Crewe to the Government of India.

(Telegraphic.) P.

India Office, August 25, 1911.

IN order to relieve strain on consular guard at Shiraz, Sir G. Barclay requests that additional twenty-two non-commissioned officers and men may be provided for that place. Request is supported by Foreign Office. I shall be glad if you will send the men.

[35028]

No. 435.

Mr. Greenway to Mr. Mallet.—(Received September 5.)

*Winchester House, Old Broad Street, London,
September 4, 1911.*

Dear Mr. Mallet,

I AM obliged for your letter of the 30th ultimo commenting on the draft telegram submitted with my letter of the 11th idem.

As regards the point dealt with in the second paragraph of your letter—viz., the power given to the Persian Government to acquire the railways—the syndicate are entirely of your view, and have guarded against this in the text of articles 19 and 34 of the draft contract sent to Mr. Brown, whereby it is made clear—

1. That the bonds shall be repayable by an amortisation fund of 1 per cent. per annum, commencing five years after the railway is opened; and

2. That the Government can only determine the contract two years after the bonds shall have been redeemed in accordance with the terms of the contract.

This, as you point out, ensures a tenure of twenty-five to thirty years.

Should it be considered desirable to adapt the Bushire-Firuzabad-Shiraz road for motor traction the syndicate would be quite prepared to consider some arrangement for undertaking the work.

As regards your objection to article 22, Mr. Brown had in his telegram of the 29th ultimo, copy of which has been sent to you, raised the same point, and the syndicate have met it (as you will see from reference to article 38 on page 14 of enclosed copy of telegram to Mr. Brown*) by suggesting that one arbitrator shall be nominated by them and one by the Treasurer-General.

I will shortly send you a copy of the draft contract showing all the alterations up to date, in order that you may be in a position to follow any further telegraphic correspondence more closely.

Yours sincerely,
C. GREENWAY.

* Not printed.

[1505]

4 N

[34907]

No. 436.

Sir G. Barclay to Sir Edward Grey.—(Received September 5.)

(No. 376.)

(Telegraphic.) P.

EX-SHAH movement.

Reference to my telegram No. 363 of the 27th August.

I am informed by Nasr-ul-Mulk that an engagement was fought yesterday in the Khar district west of Aradan. Bakhtiaris, who are reported to have had no casualties, defeated Arshad-ed-Dowleh with heavy loss.

Gulahek, September 5, 1911.

[33765]

No. 437.

Sir Edward Grey to Sir G. Buchanan.

(No. 240.)

Sir,

Foreign Office, September 5, 1911.

I HAVE received your Excellency's despatch No. 237 of the 24th ultimo, forwarding, with observations, the text of the Russo-German Agreement respecting Asiatic Turkey and Persia.

I approve the language held by your Excellency to the Russian Minister for Foreign Affairs in the course of the conversation which you had with him on the subject.

I am, &c.
E. GREY.

[30939]

No. 438.

Foreign Office to India Office.

Sir,

Foreign Office, September 5, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 5th ultimo relative to the subsidy allowed to the Euphrates and Tigris Steam Navigation Company for the maintenance of a steamer service on the Karun.

With reference to the penultimate paragraph of that communication, I am to state that the amount of the subsidy, which was fixed at 1,000*l.* a-year in 1900, was raised to 1,500*l.* a-year in 1902.

I am to transmit to you herewith copy of a letter which Sir E. Grey has caused to be addressed to the company, complying with their request that the amount of the subsidy up to the 31st December, 1910, may be paid to them.^o

I am, &c.
LOUIS MALLET.

[34042]

No. 439.

Foreign Office to India Office.

Sir,

Foreign Office, September 5, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 28th ultimo relative to a proposal made by the Government of India that the editor of the newspaper "Habl-ul-Matin," a Persian subject, should be expelled from that country.

I am to state in reply that Sir E. Grey is not in a position to form an opinion as to what measures may be required by considerations of internal policy in India, but that, as regards external policy, he is unable to see what will be gained by the expulsion of Seyyid Jalal-ud-Din, unless there is reason to suppose that such a course will have the effect of moderating the tone or impairing the influence of the paper. Should the nature of the articles become such as to justify the prosecution of the editor Sir E. Grey would not deprecate such a proceeding, but he is of opinion that the objectionable

* No. 441.

quality of the publication has as yet hardly reached the point where this step is called for.

Sir E. Grey accordingly concurs with the Marquess of Crewe in considering that the measure proposed by the Government of India should not be sanctioned at present.

I am, &c.
LOUIS MALLET.

[34481]

No. 440.

Foreign Office to India Office.

Sir,

Foreign Office, September 5, 1911.

WITH reference to the letter from this department of the 1st instant relative to the loan which Messrs. Seligman, supported by group of British financiers, propose to make to the Persian Government, I am directed by Secretary Sir E. Grey to transmit to you herewith copy of a telegram from His Majesty's Minister at Tehran,* stating that Colonel Beddoes, Messrs. Seligman's agent at that capital, has given him an undertaking that, in the event of the loan being concluded, half of the sums received by the Persian Government will be deposited with the Imperial Bank of Persia, the other half being paid into the Russian Bank in accordance with the undertaking given by Colonel Beddoes to the Russian Minister at Tehran, in order to secure the consent and moral support of the Russian Government to the loan, as reported in Sir G. Barclay's telegram No. 362 of the 26th ultimo.

I am to enquire whether, in view of the language used by Colonel Beddoes to Sir G. Barclay when giving this undertaking, as reported in the last paragraph of the enclosed telegram, the Marquess of Crewe considers the interests of the Imperial Bank sufficiently protected by the assurance in question.

I am to add that, according to a subsequent message from Sir G. Barclay, Colonel Beddoes has categorically assured him that no portion of the loan will be used for the establishment of a new bank in Persia, the intention to do which, as Sir G. Barclay pointed out in his telegram No. 366 of the 31st ultimo, appeared to be implied by the language used in the definition of the objects of the loan.

I am, &c.
LOUIS MALLET.

[30939]

No. 441.

Foreign Office to Euphrates and Tigris Steam Navigation Company.

Sir,

Foreign Office, September 5, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 8th July, forwarding statements of profit and loss for the maintenance of the steamer service on the Karun for the year 1910, and asking that, though your company are not in a position to demand the payment of the subsidy of 1,500*l.* for that year in view of the fact that the accounts show a profit, that sum may nevertheless be allowed to them in consideration of the losses which they have incurred in maintaining this service in the past, and of the sums of money which they have advanced to open up the new trade route into Persia.

I am to inform you in reply that, in view of the considerations advanced in your letter, the sum of 1,500*l.* will be placed at the disposal of your company as subsidy for the year ended the 31st December, 1910, but that it must be clearly understood that this payment in no way implies that the subsidy will be continued beyond that date.

I am, &c.
LOUIS MALLET.

* No. 416.

[35093]

No. 442.

India Office to Foreign Office.—(Received September 6.)

Sir,

India Office, September 5, 1911.

IN continuation of the letter of this Office dated the 12th August, 1911 (communicating copy of telegram to the Viceroy, dated the 10th August, 1911), regarding the proposed foundation of a Parsee school at Tehran, I am directed by the Secretary of State for India to enclose copy of a telegram from the Government of India on the subject.

The Marquess of Crewe concurs in the view that the school may be taken under British protection.

I am, &c.

R. RITCHIE.

Enclosure in No. 442.

Government of India to the Marquess of Crewe.

(Telegraphic.) P.

August 30, 1911.

SEE your telegram dated the 10th August.

Proposal as to Wadia Parsee school at Tehran has my cordial approval.

[35177]

No. 443.

Sir G. Barclay to Sir Edward Grey.—(Received September 6.)

(No. 377.)

(Telegraphic.) P.

Gulahek, September 6, 1911.

EX-SHAH movement.

In continuation of my telegram No. 376 dated the 5th September.

I have the honour to report that the engagement fought on the 4th September seems to have resulted in an important victory for the Bakhtiari.

Ministry announced yesterday in the Medjliss that Arshad-ed-Dowleh and many of his followers had been taken prisoner by Amir Mijtahed Bakhtiari, who had asked what he was to do with Arshad-ed-Dowleh. He had been ordered to have him shot and his body brought to the capital.

[35190]

No. 444.

Sir G. Barclay to Sir Edward Grey.—(Received September 6.)

(No. 378.)

(Telegraphic.) P.

Gulahek, September 6, 1911.

SELIGMAN loan negotiations.

In reply to your telegram No. 252 of the 4th September, I have the honour to report that I have reminded Colonel Beddoes of the matter, and he will not fail to tell treasurer-general. In these circumstances it does not seem necessary for me to inform Mr. Shuster.

Colonel Beddoes draws my attention to the fact that there is a discrepancy in the conditions as formulated. To exclude all but British markets is not, he maintains, in conformity with your letter of the 4th October to Messrs. Seligman.

He further cites the apparent exclusion of the Russian market, and points out the impossibility of confining any public issue purely to the British market. In this connection, please see Messrs. Seligman's letter of the 27th September.

I was further asked by Colonel Beddoes whether the surplus of the northern and southern customs was excluded by the expression "must not encroach, &c.," in your letter of the 21st May, and condition 1 in your letter of the 27th October.

With regard to claims, I think it would be well to stipulate that British cases should be liquidated from the proceeds of the second portion of the loan. I submit, however, that it would be difficult to exclude other foreign claims from a like settlement. 700,000*l.* would, I believe, satisfy all outstanding claims, with exception of those of Turkey, with the amount of which I am unacquainted.

[35188]

No. 444.*

Sir G. Lowther to Sir Edward Grey.—(Received September 6.)

(No. 200.)

(Telegraphic.) P.

Constantinople, September 6, 1911.

LINGAH.

New Turkish consul left for Bushire a fortnight ago, with instructions to enquire fully into subject of complaint on part of His Majesty's Government.

Meanwhile, Grand Vizier says that the late consul cannot be required to offer apology to Mr. New, as he has been dismissed, and it is unlikely that he will be appointed elsewhere.

Grand Vizier at the same time expressed regret at what had happened.

[35287]

No. 445.

*Mr. Greenway to Mr. Norman.—(Received September 7.)**Winchester House, Old Broad Street, London,**September 5, 1911.*

Dear Mr. Norman,

WITH reference to your letter of the 28th July, which I regret to find I have not previously acknowledged, I have heard from our agents at Mohammerah that the rumour reported by Lieutenant Ranking seems to have emanated from one of our employés on the field, who has been suitably reprimanded for indulging in irresponsible gossip of this nature.

It is needless to say that our employés in Persia cannot possibly have any knowledge of the intention of the board in matters of policy.

Yours very truly,

C. GREENWAY.

[35267]

No. 446.

*Messrs. Lynch Brothers to Foreign Office.—(Received September 7.)**3, Salter's Hall Court, Cannon Street,**London, September 6, 1911.*

Sir,

WE have the honour to enclose a copy of a telegram just received from Mr. Wilson, our representative in Tehran, on the subject of a proposed loan to Persia. The words "our interests" in the last sentence would seem to refer to British interests, and to mean that the southern customs will not be affected.

If it be the case that the loan to be made by Messrs. Seligman is to be derived from German sources, the information conveyed in this telegram may be of use to His Majesty's Government. It would appear from the text of the telegram that the consent of the Russian Government to the loan would be necessary, and joint action on the part of the Cabinets of London and St. Petersburg would therefore be possible, in case it may seem desirable. We have ourselves no special source of information as to the quarter in which Messrs. Seligman expect to raise the money; but, as it is to be secured on the northern customs, they will presumably need some arrangement with the Russian Government to meet the case of possible default. It occurs to us that the benefit of any such arrangement should be conferred upon British capital.

We have, &c.

LYNCH BROTHERS.

Enclosure in No. 446.

Copy of Telegram from Tehran, dated September 4, 1911.

WE understand Seligman's loan 4,000,000*l.* will be referred to Parliament by Shuster in a few days. Terms are redemption Russian Bank loan 1,100,000*l.*; security, northern customs. Russia will agree. We understand our interests will not be endangered.

[1505]

4 O

[35242]

No. 447.

India Office to Foreign Office.—(Received September 7.)

Sir,

India Office, September 6, 1911.

IN reply to your letter, No. 33978, as to a proposed visit to Shiraz of Mr. H. G. Chick, the commercial adviser at His Majesty's consulate-general at Bushire, for the purpose of a commercial enquiry, I am directed to say that the Secretary of State for India concurs in the proposal of the Secretary of State for Foreign Affairs to telegraph to Lieutenant-Colonel Cox his approval in the matter. The expenditure, which is estimated at about 26l. for transport, will be equally divisible between British and Indian revenues.

I am, &c.
R. RITCHIE.

[35285]

No. 448.

Sir G. Barclay to Sir Edward Grey.—(Received September 7.)

(No. 379.)

(Telegraphic.) P.

Gulahek, September 7, 1911.

SOUTHERN roads.

In reply to your telegram No. 253 of the 4th September, I have the honour to report that I am consulting with His Majesty's consular officers. The following telegram, No. 27, has, however, just reached me from Kerman:—

"I regret to report that the condition of the Kerman province is now very grave. Robberies are reported from all sides, and the transport of merchandise is practically suspended on the trade routes Kerman-Bunder Abbas. In the town itself stocks of carpets are accumulating, and payments to weavers have been suspended by one of the two larger European houses. In four days' time some 5,000 or 6,000 hands will be out of work. In existing conditions the other firm will not be able to issue orders much longer for goods which cannot be disposed of, and 4,000 more weavers will be idle. The price of bread and meat is high, and both commodities are scarce; populace is apprehensive. Persian authorities are entirely unable to deal with the situation, and I gather from the attitude they are taking up that they believe matters to be without remedy, and that the only course worth pursuing is to make what they can before the end comes."

On receipt of this telegram, I urged Central Government to send instructions to the Kerman authorities to provide escorts for the carpets, and thus enable Messrs. Castelli to continue business and provide work for their employés.

[35307]

No. 449.

Sir G. Barclay to Sir Edward Grey.—(Received September 7.)

(No. 380.)

(Telegraphic.) R.

Tehran, September 7, 1911.

MY telegram No. 348 of 21st August: Major Stokes.

Shuster finds it impossible to give an express undertaking in the sense of his proposals, as it would be regarded by Nationalists as a recognition of the spheres of interest.

At a meeting yesterday at Russian Legation he proposed that a new contract should be prepared engaging Major Stokes for nine months, or, if that is impossible, for six months, to assist Treasurer-General in Tehran in organisation of Treasury gendarmerie, question of any further employment of Major Stokes after expiration of this contract being left for subsequent consideration; he might either rejoin Indian army, or a new contract might be concluded in accordance with wishes of two Governments.

Shuster begs Russian Government as a favour to consent to this arrangement, and he hopes that His Majesty's Government will consent to second Major Stokes for

period named. I ventured to tell Shuster that I thought that, if Russia consented to proposed arrangement, there would be no difficulty in seconding Major Stokes. Both Russian Minister and I agree that, if Major Stokes is to get this appointment, it would be better that he should retain his position in Indian army.

[35300]

No. 450.

Sir G. Barclay to Sir Edward Grey.—(Received September 7.)

(No. 381.)

(Telegraphic.) Decode.

Tehran, September 7, 1911.

MY telegram No. 377 of 6th September: Ex-Shah movement.

Arshad-ed-Dowleh was shot yesterday. Fight which occurred 5th September, not 4th September, resulted in total rout of Arshad's force of 2,000 men, capture of four guns and 200 prisoners. Government force 1,000 strong, composed of Bakhtiari and Armenians under the command of Sardar Bahadur Bakhtiari and Yepim.

[35190]

No. 451.

Sir Edward Grey to Sir G. Barclay.

(No. 255.)

(Telegraphic.) P.

Foreign Office, September 7, 1911.

SELIGMAN loan to Persian Government.

Following is in reply to your telegram No. 378 of yesterday:—

You stated last year (see your telegram of the 16th September, 1910) that foreign Powers would obtain a footing in the Persian Gulf if a loan were concluded in the manner outlined in my telegram No. 269 of last year.

Mr. Seligman and Colonel Beddoes informed Mr. Mallet on the 19th April last that the proposed loan would be exclusively British, and offered to the London market only. Messrs. Seligman, moreover, in their letter to us of the 25th April, took no exception to this course.

See Seligman's letter of the 26th September, 1910. Have you now any objection to terms outlined therein?

[35242]

No. 452.

Sir Edward Grey to Lieutenant-Colonel Cox.

(Telegraphic.) P.

Foreign Office, September 7, 1911.

PROPOSED visit of commercial adviser to Shiraz.

Cost is sanctioned. Reference is to your despatch No. 9, Commercial.

[34435]

No. 453.

Foreign Office to Messrs. Ellinger and Co.

Gentlemen,

Foreign Office, September 7, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 31st ultimo relative to the proposal that you should place yourselves in communication with the Persian Legation, who have received instructions to investigate your claim with respect to the shipment of red oxide from Hormuz.

I am to inform you, in reply, that Sir E. Grey sees no objection to such negotiations, and thinks that the information which you might thus derive as to their attitude and that of the Persian Government in the matter might even be of use to you. At the same time, the negotiations need not have the effect of weakening the support given by His Majesty's Government to the claim, which has doubtless already been presented to

the Persian Government, so that you would, so far as can be seen, lose nothing by acting as proposed.

Sir E. Grey would accordingly leave to you full liberty in the choice of the course which you should pursue.

I am, &c.
LOUIS MALLET.

[35402]

No. 454.

India Office to Foreign Office.—(Received September 8.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of the Marquess of Crewe, forwards herewith, for the information of the Secretary of State, copy of enclosure in a letter from the Foreign Secretary to the Government of India, dated the 17th August, relative to alleged Turkish subjects at Lingah.

India Office, September 7, 1911.

Enclosure in No. 454.

Lieutenant-Colonel Cox to Government of India.

(Telegraphic.) P.

Bushire, August 15, 1911.

UNDER instructions from the Turkish Embassy, our vice-consul at Lingah (who is in charge of Turkish interests) carefully investigated last year the claims of all applications for Turkish registration certificates, about twenty-five in number in all, and after exhaustive enquiry informed Ambassador, in February last, that only one individual was entitled to Turkish protection in Persia. A visit has just been paid to Lingah by the Turkish consul at Bushire, and Vice-Consul New telegraphs that, without making the slightest reference to him, he has enrolled 272 Persians and Oman subjects as Turkish protégés. On hearing the news, the Governor of Gulf Ports has telegraphed to his deputy to protest, and to confiscate any such certificates as he can get hold of. Mr. New now asks what course he should take, as Turkish vice-consul, to challenge the Turkish consul's unwarrantable proceedings. I am inclined to think that as New was not consulted he can conveniently avoid altercation with the consul and ignore the matter for the present, but that we should keep the Persian authorities up to the mark, and that after Persian Government has protested and declined to recognise registrations New should then complain of having been placed in a false position, and ask Turkish Embassy, through your Excellency, to protect him in future from such vagaries on the part of Turkish consul at Bushire. The Turkish action is of course most discourteous to our representative, but no doubt it has been carried out under instructions from embassy, and it seems to me that if we let Persian Government move first we shall be in a stronger position. Will you please favour me with your instructions.

(Addressed Minister, Tehran, and repeated to India.)

[35396]

No. 455.

Euphrates and Tigris Steam Navigation Company to Foreign Office.—(Received September 8.)

*3, Salter's Hall Court, Cannon Street, London,
September 7, 1911.*

Sir,

I HAVE the honour to acknowledge the receipt of your letter of the 5th instant, and to thank you for granting our request for the payment of the subsidy in respect

of the Karun service for the year ended the 31st December, 1910, under special considerations.

I shall be obliged if you will kindly furnish me with an order on Lloyd's Bank (Limited), transferring to this company the balance remaining at the credit of the Karun subvention account with that bank.

I have, &c.
THOS. H. ROBERTS,
Acting Secretary.

[35420]

No. 456.

Mr. Greenway to Mr. Mallet.—(Received September 8.)

*Winchester House, Old Broad Street, London,
September 7, 1911.*

Dear Mr. Mallet,

WHEN writing my letter of the 4th instant I assumed that the figure of twenty-five or thirty years given for the tenure that would be secured by an amortisation fund at the rate of 1 per cent. per annum was about the correct actuarial figure, but on looking into the question I find that the actual figures are as below:—

A 1 per cent. accumulating sinking fund invested at—

5 per cent. per annum would require	36 $\frac{1}{2}$ years to extinguish the principal.
4 $\frac{1}{2}$ " " "	38 $\frac{1}{2}$ " " "
4 " " "	41 " " "
3 $\frac{1}{2}$ " " "	43 $\frac{1}{2}$ " " "
3 " " "	47 " " "
2 $\frac{1}{2}$ " " "	50 $\frac{1}{2}$ " " "

Therefore the tenure secured by a 1 per cent. amortisation fund applied in annual purchases of the bonds (the most remunerative method of employing the money, and therefore the quickest method of extinguishing the bonds) would be 36 $\frac{1}{2}$ years, plus the five years before it came into operation, i.e., a minimum period of 41 $\frac{1}{2}$ years from the date of opening any one line for traffic.

I do not understand the reference you have had from the Board of Trade, because we have had no communication with them on the subject. Possibly their letter referred to some other negotiations for railways in Persia?

In any case we have not suggested any payment by the Persian Government towards the sinking fund, other than the 1 per cent. per annum which is to be provided out of the railway earnings, or by the Government if the railway earnings do not suffice to cover this 1 per cent., in addition to the working expenses, interest on bonds, &c.

Our syndicate, of course, desires to secure the longest tenure possible, and will bear this in mind in arranging the details of the amortisation scheme with the Persian Government. Under the Bagdad Railway concession the Germans, I believe, have a tenure of 100 years, and this we should secure if we can arrange that the amortisation be effected by annual drawings at the rate of 1 per cent.

Yours, &c.
C. GREENWAY.

Enclosure in No. 456.

Contract between the Persian Government and the Persian Railway Syndicate.

CONTRACT entered into between the duly accredited representative of the Government of His Imperial Majesty the Shah of Persia (hereinafter called "the Government") of the one part, and the Persian Railways Syndicate (Limited), a company incorporated under the laws of the United Kingdom of Great Britain and Ireland

[1505]

4 P

(hereinafter called "the syndicate"), of the other part, for the survey, construction, and working of the railways and other works hereunder mentioned, subject to the provisions of this contract.

ARTICLE 1. The Government grants to the syndicate the exclusive privilege during the period of this contract for the survey, construction, and working of the railways hereunder mentioned in the kingdom of Persia, to be worked entirely or in part by steam or by electricity, at the discretion of the syndicate.

Firstly.—A line of railway commencing from Mohammerah and [or] Khor Musa, or other convenient point adjacent thereto, and running to Khoremad or Burujird;

Secondly.—A line of railway commencing from Bunder Abbas, or other convenient point adjacent thereto, and running to Kerman;

Thirdly.—A line of railway commencing from Bunder Abbas, or other convenient point adjacent thereto, and running to Shiraz;

Fourthly.—A line of railway commencing from Bunder Abbas, or other convenient point adjacent thereto, and running to Mohammerah;

and also of constructing and working a harbour or port at any of the above-mentioned termini. The expression "railways" or "railway," where used in this contract, shall include such harbour or port.

Art. 2. Unless the Government and the syndicate shall otherwise agree, the survey and construction of the said railways shall be proceeded with in the order mentioned in article 1 hereof, and, subject to the provisions hereinafter contained, the survey and construction of the said railways subsequent to the railways hereinbefore firstly described shall not be proceeded with unless and until the railway immediately proceeding shall have been opened for public traffic.

Art. 3. The Government guarantees to the syndicate that during the period of this contract it will not permit the construction of any other parallel or competing line of railway, of timber or of wire cables, or any parallel or competing organised system of mechanical transport within a zone of 50 kilom. on each side of the line of any of the said railways, without the previous consent in writing of the syndicate.

Art. 4. The Government shall grant to the syndicate, free of all cost to the syndicate or the said railways, such zones or strips of land as may be required for the line of the said railways, the stations, and the appurtenances thereof, and the syndicate shall be authorised to take on such lands the timber, materials, &c., which may be required for the construction or maintenance of such works. The Government shall also, by direct grant, or by arrangement with the local chiefs or other owners, grant to the syndicate the right, free of cost, to take on other lands belonging to the Government or such local chiefs or other owners timber, materials, &c., required for the construction or maintenance of such works.

Art. 5. The Government grants exemption from all import duties, navigation dues or charges, and all other fiscal dues or charges for all the materials of the said railways, rails and their accessories, rolling stock, tools, implements, machinery, instruments, apparatus, camp sheds, wire for telegraphs and fences, telegraphic and telephonic apparatus, and all other articles whatsoever which may be required for the survey, construction, working, and maintenance of the said railways, and grants to the syndicate the right to use all rivers and roads within the Empire of Persia for the conveyance of all such materials and things.

Art. 6. The said railways and the enterprise of the survey, construction, and maintenance thereof and the receipts therefrom shall, during the period of this contract, be exempt from the payment of any Imperial, departmental, municipal, or local tax or fiscal charge, and also from any registration, transfer, or other duty on any deeds or documents connected with the service thereof, and from stamp duties of all kinds.

Art. 7. The employés, workmen, and other staff in the service of the said railways shall be deemed to be Government servants, and in such capacity shall be exempt from military service and from any civil or police duty other than in connection with the said railways.

Art. 8. The Government shall furnish free of cost to the syndicate or the said railways the police or military force which may be necessary for the safety of persons or of property on any part of the said railways, both during the survey and construction thereof and after the same shall have been opened for public traffic, and shall afford the

syndicate and its agents every assistance in its power to enable the syndicate or its agents to obtain an adequate and efficient supply of labour for the purposes of such survey and construction.

Art. 9. The syndicate may import mechanics, workmen, and labourers, together with all articles for their private and domestic use, free of import duty and other fiscal imposts.

Art. 10. During the period of this contract the chief officials in Persia on the said railways in connection with the construction, maintenance, and working thereof shall be British subjects to be nominated by the syndicate.

Art. 11. The syndicate will commence the surveys for the tracings for the railway hereinbefore firstly described within six months from the date of this contract, and will employ competent persons to complete the same with all due diligence, and not later than eighteen months from the date of this contract.

Art. 12. The line of the said railways shall be a single track of 2 ft. 6 in. or 1 metre gauge, and shall be provided with all necessary auxiliary lines and sidings. The lines may be partly adhesive and partly rack. The curves shall be of the largest possible radius having regard to the nature of the country in which the same shall be situate. The said railways shall be provided with at least one telegraph or telephone line throughout the whole length thereof, with all necessary apparatus for working the same.

Art. 13. On the completion of the said survey the syndicate shall forthwith submit to the Government the plans with the surveys of the general tracing of the said railway and the stations and the appurtenances thereof, together with a specification of the works necessary for the construction thereof and of the materials, locomotives, rolling stock, plant, and other articles and things requisite and necessary for the construction and equipment thereof, and together also with an estimate of the cost of the construction and equipment thereof. The said estimate shall include the actual cost of the construction and equipment, together with all engineering, freight, and other charges, and also an estimated amount for the payment of interest for a period of two years after the same shall have been opened for public traffic and for all expenses of and incidental to the issue of the railway bonds, mentioned in article 19 hereof, in Europe. The said estimate shall be based upon an average cost per mile or upon the cost per section, or upon such other basis as the syndicate may determine to be preferable.

Art. 14. The Government shall make such criticisms or objections to the said plans, surveys, specifications, and estimates as it may think proper, and, subject to any objections which shall have been made in writing by the Government and shall not have been complied with or overcome by the syndicate and shall be still outstanding, such plans, surveys, specifications, and estimates shall be considered as approved and accepted by the Government at the expiration of six calendar months from the date of the delivery thereof to the Government.

Art. 15. The said survey shall be undertaken by the syndicate at the sole cost of the Government, and the syndicate shall during such survey render to the Government monthly accounts of the costs, charges, and expenses incurred by the syndicate in connection therewith and shall submit to the Government reasonable vouchers for all such costs, charges, and expenses, and the Government shall reimburse the syndicate the costs, charges, and expenses comprised in any such account within one calendar month after such account and the vouchers relating thereto shall have been delivered to the Government. Any balance of any such costs, charges, and expenses to be incurred by the syndicate on behalf of the Government remaining unpaid shall be paid to the syndicate by the Government on or before the delivery of the plans, surveys, specifications, and estimates to the Government in accordance with article 13 hereof. The costs, charges, and expenses of such surveys may, at the option of the Government, be paid and satisfied either in cash or in Imperial State bonds similar to the recent issue of State bonds. Should the Government elect to satisfy such costs, charges, and expenses in Imperial State bonds they shall give to the syndicate notice in writing of such election, and thereupon the Government shall deposit with the Imperial Bank of Persia at the said Imperial State bonds sufficient at the price of

87½ per cent. to cover the costs, charges, and expenses to be incurred in making such surveys, with authority to such bank to deliver to the syndicate, on production of monthly certificates signed by the company's engineer, an amount of bonds sufficient at the said price of 87½ per cent. to satisfy the amount of such monthly certificate.

Art. 16. At the expiration of the period of six months mentioned in article 14 hereof, the syndicate shall have the right to construct the said railway hereinbefore firstly described upon the basis of the said plans, surveys, specifications, and estimates to be delivered by the syndicate to the Government in accordance with article 13 hereof, subject to such

modifications thereof as shall have been agreed between the Government and the syndicate. The syndicate shall be at liberty to enter into any contracts with any persons or companies approved by the syndicate [sic] for the construction of the whole or any part of the said railway, or the supply of the whole or any part of the materials required for the construction or equipment thereof, provided that the liabilities of the Government and the syndicate hereunder shall not by reason of any such contract be respectively increased or diminished. The syndicate shall be entitled to retain for its own benefit the balance, if any, between the estimated cost of the construction and equipment of the said railway and the actual cost of the construction thereof for the purpose of defraying any costs, charges, and expenses which may be incurred by the syndicate in connection with the subscription of the bonds mentioned in article 19 hereof or otherwise in relation to this contract and for its profit in connection therewith.

Art. 17. Upon the completion of the said survey the syndicate shall notify the Government the period within which the said railway will be constructed, in order that the same may be opened for public traffic, and shall commence the construction thereof within a period of six calendar months after the bonds mentioned in article 19 shall have been issued by the syndicate, and shall proceed with the construction thereof when commenced with all due diligence, in order that the same may be opened for public traffic as speedily as the circumstances will permit. Provided that the period to be notified by the syndicate for the construction of the said railway shall be subject to such extension as the circumstances may require in the event of the labour available for the construction thereof being inadequate or in the event of any delay arising from adverse political conditions.

Art. 18. The Government will appoint a qualified British or American engineer, who shall be subject to the reasonable approval of the syndicate, for the purpose of examining the works and of certifying that the same have been constructed in accordance with the said surveys, plans, and specifications, and that the same are ready to be opened for public traffic.

Art. 19. Before the syndicate shall be required to proceed with the construction of the said railway the Government shall create and the syndicate shall be authorised to issue a special loan of railway bonds sufficient at the price of 87½ per cent. to provide the amount of the estimate mentioned in article 13 hereof. Such railway bonds shall constitute a direct obligation of the Government to the holders or bearers thereof, and shall carry interest at the rate of 5 per cent. per annum from the date of issue, and shall be repayable by means of an amortisation fund of 1 per cent. per annum commencing five years after the said railway shall have been opened for public traffic. The principal moneys, interest, and other moneys payable in respect of the said railway bonds shall constitute a first charge upon the railways and the net receipts of the railways mentioned in article 1 hereof, and shall be further secured by a charge or appropriation in a manner and to an extent to be approved by the syndicate upon such revenues of Southern Persia as may be applicable to the purpose and be approved. Such customs duties or other securities shall be paid to the Imperial Bank of Persia at some branch in Persia to be named by the syndicate to a special account twenty-one days prior to the date for payment of each half-year's interest in respect of the said bonds. Should the amount so paid in not be sufficient for the payment of the said interest and to provide the proportionate part of the yearly amortisation fund, the Government shall forthwith make up any deficiency. The amounts so deposited shall be applied by the said bank in paying the interest to become due in respect of the bonds next after the date when such payment ought, in accordance with the provisions of this clause, to have been made, and the bank shall apply the balance of the moneys so deposited, or such part thereof as may be necessary, in redemption of the bonds in manner provided by the conditions endorsed on the bonds. Should the sums so deposited exceed the said liabilities, the Government shall be entitled to withdraw the balance in its favour immediately after the making up of each half-yearly account. The interest upon the said railway bonds during the construction of the said railway and for a period of two years after the same shall have been opened for public traffic shall be paid and provided by the syndicate so far as the provision for that purpose contained in the estimated cost will extend. Provided, however, that, should the company be prevented from constructing the railway on account of circumstances over which the syndicate has no control, the interest and amortisation fund in respect of the bonds shall, during the period that the syndicate are so prevented from constructing the railway, be paid by the Government.

Art. 20. The proceeds of the issue of the said railway bonds shall be deposited in a bank in London to be approved by the syndicate to the order of the syndicate and shall

be applied by the syndicate as and when required for the purpose of defraying the cost of the construction of the said railway in accordance with the plans, surveys, specifications, and estimates hereinbefore mentioned and of paying the interest upon the said railway bonds during the period and to the extent mentioned in article 19 hereof.

Art. 21. The Government may at any time within a period of five years from the date of this contract require the syndicate to proceed with the survey of any of the railways mentioned in article 2 hereof other than the railway hereinbefore firstly described upon the same terms as are hereinbefore provided in respect of the railway hereinbefore firstly described.

Art. 22. On completion of the railway hereinbefore firstly described, or earlier if the Government and the syndicate shall so agree, the Government may require the syndicate to proceed with, or the syndicate at its option may require the Government to grant to it the right to proceed with, the construction of the railway hereinbefore secondly described upon terms identical with the terms hereinbefore contained relating to the construction of the railway hereinbefore firstly described, and the syndicate shall thereupon, and subject to the provisions hereinbefore contained, be bound to proceed with due diligence with the construction and equipment of the railway hereinbefore secondly described.

Art. 23. On the completion of the railway hereinbefore secondly described, or earlier if the Government and the syndicate shall so agree, the Government may require the syndicate to proceed with, or the syndicate at its option may require the Government to grant to it the right to proceed with, the construction of the railway hereinbefore thirdly described upon terms identical with the terms hereinbefore contained relating to the construction of the railway hereinbefore secondly described, and the syndicate shall thereupon, and subject to the provisions hereinbefore contained, be bound to proceed with due diligence with the construction and equipment of the railway hereinbefore thirdly described.

Art. 24. On the completion of the railway hereinbefore thirdly described, or earlier if the Government and the syndicate shall so agree, the Government may require the syndicate to proceed with, or the syndicate at its option may require the Government to grant to it the right to proceed with, the construction of the railway hereinbefore fourthly described upon terms identical with the terms hereinbefore contained relating to the construction of the railway hereinbefore thirdly described, and the syndicate shall thereupon, and subject to the provisions hereinbefore contained, be bound to proceed with due diligence with the construction and equipment of the railway hereinbefore fourthly described.

Art. 25. Each of the railways mentioned in article 1 hereof, as and when completed and opened for public traffic, shall be worked and administered by the syndicate on behalf of and for the benefit and at the risk of the Government, at least until such time as the whole of the railway bonds to be issued for provision of the necessary funds for the construction and equipment of the said railways, or any one of them, shall have been redeemed by means of the amortisation fund of 1 per cent. per annum to be constituted for the redemption thereof. The syndicate shall carry on the working and administration of the said railways with due diligence and proper care, and shall provide a train service sufficient for the development of the traffic upon the said railways, when the same shall be opened for public traffic, and shall, subject to the provisions of this contract, so carry on the said railways as to produce the best results both for the said railways and for the district to be served thereby.

Art. 26. The syndicate shall receive as its remuneration in each year for working the said railways pursuant to article 25 hereof, and for the expenses of its administration in London, a commission at the rate of 5 per cent. of the gross receipts of the said railways.

Art. 27. For the purposes of this contract the gross receipts of the said railways shall be the aggregate amounts, whether ordinary or extraordinary, which shall be received by the syndicate on such part of the said railways as shall be for the time being open for public traffic.

Art. 28. From the gross receipts from the working of the said railways there shall be deducted the following expenses:—

- (a.) Working expenses.
- (b.) Cost of maintenance, both ordinary and extraordinary, of the lines, buildings, materials, telegraph, telephones, &c.
- (c.) Cost of the renewal of the fixed material and rolling stock.
- (d.) Expenses arising by reason of accidents or thefts, fires, or *force majeure*.

(e.) Costs of insurance of the buildings, merchandise, or passengers in connection with the said railways.

(f.) The remuneration of the syndicate mentioned in article 26 hereof.

(g.) Subject to the liability of the syndicate to pay and provide the interest during construction and for a period of two years thereafter in manner mentioned in article 19 hereof, the amounts required for the payment of the interest upon and the provision of the amortisation fund for any railway bonds issued in accordance with the provisions hereof, for the provision of funds for the construction and equipment of the said railways, or for the purposes of this contract.

If the gross receipts do not suffice to meet the above expenses, the Government will, when and so soon as the accounts of the said railways for any year shall have been completed, and within one month after payment thereof shall have been demanded by the syndicate, make up whatever deficit there may be.

In the event of the gross receipts showing a surplus over the above expenses, then, subject to the payment of any previous existing deficit, such surplus shall be carried to the credit of a separate account to be applied from time to time, as the circumstances of the said railways may require, in the maintenance thereof, or in the replacement of any part of the equipment thereof, or in the construction and equipment of any extension of the said railways, and until so applied the moneys standing to the credit of such account shall be invested in the name of or under the control of the syndicate; or

In the event of the gross receipts showing a surplus over the above expenses, then, subject to the payment of any previous existing deficit, one-half of such surplus shall be carried to the credit of a separate account to be applied from time to time, as the circumstances of the said railways may require, in the maintenance thereof, or in the replacement of any part of the equipment thereof, or in the construction and equipment of any extension of the said railways, and until so applied the moneys standing to the credit of such account shall be invested in the name of or under the control of the syndicate, and the remaining half thereof shall be handed over to the Treasurer-General of the Government.

Art. 29. The syndicate shall, during the administration of the said railways, keep proper accounts in a form usually adopted by railways, and the Treasurer-General of the Government, provided that such Treasurer-General be a natural-born citizen of the United States of America, shall be entitled at all times to inspect and audit such accounts. The syndicate shall in each year during the period aforesaid present to the Government a full statement of the receipts and expenditures connected with the said railways properly classified under the respective divisions of receipts and expenditure usually adopted by railways and including all expenditure mentioned in article 28 hereof. Except in so far as any objection in writing shall be raised by the accountant or accountants of the Government to the said accounts, and such objections shall remain outstanding, the said accounts shall be deemed to be binding upon the Government and the syndicate at the expiration of three months after the same shall have been delivered to the Government.

Art. 30. As the traffic of the said railways so requires, the Government will from time to time, at the request of the syndicate, provide all such additional locomotives, rolling stock, installations, stations, buildings, goods-sheds, sidings, and other like conveniences necessary for the proper working of the said railways, provided that the syndicate shall not, if the Treasurer-General for the time being of the Government shall be a natural-born citizen of the United States of America, be entitled without the previous sanction of the Treasurer-General to require the Government to incur any capital expenditure which would necessitate the issue by the Government of railway bonds other than as hereinbefore provided for the provision of funds for the construction and equipment of the said railways.

Art. 31. The Government may require the syndicate to execute, and the syndicate will, as and when so required, execute, at the expense of the Government, all such additional works as the Government may deem necessary or expedient for the greater security of the public, or for the policing of the said railways, or for the convenience of the traffic thereon. Every such requisition shall be in writing, specifying the works to be executed, and shall be accompanied by a deposit with the bankers of the syndicate in Tehran of the agreed estimated cost of the works so specified, and during the construction of such works the amount so deposited shall be paid over to the syndicate in proportional amounts as required.

Art. 32. The tariffs of the said railways shall be calculated upon a sterling basis at the current rate of exchange, and shall be fixed from time to time by the syndicate (with the approval of the Treasurer-General, if a natural-born citizen of the United States of America) upon the basis, as nearly as possible, of obtaining sufficient gross

receipts to provide for the expenses mentioned in article 28 hereof, the object of the Government being the development of the districts to be served by the said railways by means of a tariff as low as can be reasonably fixed, and not the receipt of profits from the said railways.

Art. 33. Public officials travelling by order of the competent authorities, and producing a certificate signed by such authorities to that effect, shall pay one-half of the tariff rates. The syndicate shall not issue any free passes to any persons other than their own directors, staff, and employés. The syndicate may in special cases issue to special persons tickets at one-half of the tariff rates.

Art. 34. When and so soon as all the railway bonds issued pursuant to the provisions of this contract shall have been redeemed, and all moneys which shall have been advanced upon the securities of the said railways or any of them or the receipts thereof shall have been repaid, and all moneys payable by the Government to the syndicate under the provisions hereof at the date of the notice shall have been paid, the Government may thereafter, on giving two years' notice in writing, determine this contract, and at the expiration of such notice, and upon payment of any moneys payable to the syndicate by the Government under the provisions hereof at the date of such expiration, the syndicate shall place the Government in full possession of the said railways, their dependencies and equipment.

Art. 35. During the continuance of this contract the syndicate will have the preferential right of constructing any extensions of the railways referred to in article 1 hereof, and also any other railways in Southern Persia which the Government may require to be constructed.

Art. 36. Every obligation of the syndicate under this contract shall be subject to the exception of *force majeure*, and the Government will indemnify the syndicate and the enterprise of the said railways against any damages caused by Government forces or campaign or by armed forces in rebellion against the lawful Government, the amount of the damage sustained and the mode of indemnification, in default of agreement between the Government and the syndicate, to be determined by arbitration in the manner provided by article 38 hereof. In the event of the suspension of the traffic on the said railways by *force majeure*, the obligation of the Government to make good any deficit in the gross receipts of the said railways as provided by article 28 hereof shall be in no way affected or diminished.

Art. 37. In the event of any payment to be made by the Government hereunder being made in cash, the same shall be made at the current market rate of exchange.

Art. 38. In the event of any dispute or difference arising between the parties to the present concession in respect of its interpretation or the rights or responsibilities of either of the parties therefrom resulting, such dispute or difference shall be submitted to two arbitrators at Tehran, one of whom shall be nominated by the syndicate and the other by the Treasurer-General, and to an umpire who shall be appointed by the arbitrators before they proceed to arbitrate. The decision of the arbitrators, or, in the event of the latter disagreeing, that of the umpire, shall be final.

[35443]

No. 457.

Sir G. Barclay to Sir Edward Grey.—(Received September 8.)

(No. 382.)

(Telegraphic.) Decode.

Tehran, September 8, 1911.

MY telegram No. 344 of 21st August.

Suja-ed-Dowleh is now threatening Tabreez from Basminch.

(Sent to India.)

[35444]

No. 458.

Sir G. Barclay to Sir Edward Grey.—(Received September 8.)

(No. 383.)

(Telegraphic.) Decode.

Tehran, September 8, 1911.

AFTER some fighting in neighbourhood of Shiraz, number of Arab and Baharloo chiefs have entered town. They have a considerable following, bulk of which remains

outside town engaged in desultory fighting with Kashgais. They declare they have come to avenge Nasr-ed-Dowleh's death and to protect his family, and announce intention of seizing Governor-General if he is not surrendered to them, but declare they wish to maintain order.

[35307]

No. 459.

Sir Edward Grey to Sir G. Barclay.

(No. 256.)

(Telegraphic.) P.

Foreign Office, September 8, 1911.

IN interest of Shuster's work in Persia I should be glad to facilitate anything to which Russians will agree, and if this applies to arrangement for employing Major Stokes, as explained in your telegram No. 380 of yesterday, he could no doubt be seconded, but it may look as if His Majesty's Government have some reason of their own for securing the appointment if I urge the proposal on the Russian Government.

[35524]

No. 460.

Sir Edward Grey to Sir G. Barclay.

(No. 257.)

(Telegraphic.) P.

Foreign Office, September 8, 1911.

I LEARN from Sir T. Jackson that, as it is intended to pay off advances by Imperial Bank out of the loan which is now being negotiated, Seligman want lien on southern customs promised them, so that they may take place of bank. Latter's long identification with British interests in Persian Gulf give it prior claim to our support, which we are bound to admit. We shall therefore object to above project, and only consent to loan on condition that it is not used to repay bank. Moreover, bank is constantly pressed by Government for advances, and could not go on complying without security of surplus customs. Consequently we could not in any case consent to further liens on southern customs.

If bank were paid off, and lost their present position in the Persian Gulf, British interests would suffer, and, although anxious not to make unnecessary difficulties or oppose the loan, we must first be assured that above contingency will not arise.

[35028]

No. 461.

Mr. Mallet to Mr. Greenway.

Dear Mr. Greenway,

Foreign Office, September 8, 1911.

I AM much obliged to you for your letter of the 4th September regarding the terms of the contract which the Persian Railways Syndicate are presenting to the Persian Government in connection with railway construction in Southern Persia.

I note that all the points raised in my letter of the 30th August are satisfactorily dealt with.

Yours sincerely,

LOUIS MALLET.

[33743]

No. 462.

Foreign Office to India Office.

Sir,

Foreign Office, September 8, 1911.

I AM directed by Secretary Sir Edward Grey to transmit to you herewith a copy of a despatch from His Majesty's Minister at Tehran^{*} relative to the affray which occurred on the 10th June last, when a regiment of Persian soldiers attempted to enter by force the grounds of His Majesty's consulate at Shiraz.

^{*} No. 384.

I am to express the hope that the behaviour of the sepoys and sowars in this affair may be brought to the favourable notice of the Government of India, as desired by Mr. Knox and Sir G. Barclay.

I am, &c.

LOUIS MALLET.

[35188]

No. 463.

Foreign Office to India Office.

Sir,

Foreign Office, September 8, 1911.

WITH reference to your letter of the 28th ultimo, relative to the proceedings at Linga of the Turkish consul at Bushire, I am directed by Secretary Sir Edward Grey to ask whether the text of the telegrams of the 15th and 18th ultimo from His Majesty's consul-general at Bushire to His Majesty's Minister at Tehran, referred to in the telegram of the 26th ultimo from the Government of India, is expected shortly to arrive.

I am to state that, in Sir E. Grey's opinion, if this text cannot be received within the next few days, steps should be taken to obtain it, or at least a summary of it, by telegraph, in view of the importance of knowing whether natives of Koweit and the Katar coast have in fact been registered as Turkish subjects, for, should such prove to be the case, he would be disposed to concur at once in the instructions which the Government of India suggest sending to Lieutenant-Colonel Cox.

I am, &c.

LOUIS MALLET.

[35558]

No. 464.

Sir G. Barclay to Sir Edward Grey.—(Received September 9.)

(No. 384.)

(Telegraphic.) P.

Gulahek, September 9, 1911.

SELIGMAN loan negotiations.

Reference is to your telegram No. 255 of the 7th September.

I cannot help thinking that, whether or not the issue of the loan is confined to the London market, it will be impossible entirely to preclude the risk of such portion of the bonds finding their way in time into foreign hands as might give an opening in the Gulf to some foreign Power. This danger, however, must accompany any loan which is secured on the southern customs as soon as the bonds are on the market. It can be urged, of course, that the fact that the Customs revenues are not among those securities which Messrs. Seligman have the right to administer in the case of default (please refer to my telegram No. 361 of the 26th August, paragraph 8) renders this risk, as far as possible, innocuous.

On the other hand, it might be polite to reserve for the Persian Railway Syndicate the surplus of the southern customs. Messrs. Seligman might possibly be persuaded to forgo it.

I am given to understand that, although the contract is drafted to provide for the denominations of the bonds in sterling, francs, dollars, and roubles, this clause will probably be eliminated. There is, I am assured, no question of any portion of the loan being issued on any foreign market with the exception of the Russian, and that only in the event of the Russian Government desiring such issue. I gather, however, that Messrs. Seligman consider it likely that a small portion of the converted bank loan may be subscribed by the Russian Government.

[35560]

No. 465.

Consul Stevens to Sir Edward Grey.—(Received September 9.)

(Telegraphic.) Decode.

Batoum, September 9, 1911.

ACTING vice-consul at Baku informs me that it is rumoured Shah of Persia arrived and left there 7th September. He could not ascertain destination.

[35093]

No. 466.

Sir Edward Grey to Sir G. Barclay.

(No. 258.)

(Telegraphic.) R.

Foreign Office, September 9, 1911.

YOUR telegram No. 308 of 4th August: Parsee school at Tehran.

You may assent.

[35420]

No. 467.

Mr. Mallet to Mr. Greenway.

Dear Mr. Greenway,

Foreign Office, September 9, 1911.

WITH reference to your letter of the 7th instant, I would suggest that the following alteration should be made in article 19 of the contract to be entered into between the Persian Railways Syndicate (Limited) and the Persian Government:—

Article 19. After "upon" in line 14 insert "such revenues of Southern Persia as may be applicable to the purpose and be approved."

I understand that your company are prepared to agree to this alteration.

Yours sincerely,

LOUIS MALLET.

[35565]

No. 468.

Sir G. Barclay to Sir Edward Grey.—(Received September 10.)

(No. 385.)

(Telegraphic.) P.

Gulahek, September 10, 1911.

SELIGMAN loan negotiations.

Reference to your telegram No. 257 of the 8th September.

Does not Sir T. Jackson allude to the Persian Government's overdraft at the Imperial Bank of Persia, and not to the bank's recent loan in his reference to the bank's advances? It seems to me that to redeem the loan at par before the bonds fall due would, even if such a step were contemplated by Messrs. Seligman, which I think very unlikely, be such bad finance as could not receive the sanction of the Treasurer-General. I submit therefore that the phrase "step into the bank's shoes" seems hardly justified, and I presume that overdrafts are not contemplated under the condition you propose.

With reference to the objection urged in the third paragraph of your above-mentioned telegram, could not Messrs. Seligman argue that the Persian Government will not require to press Imperial Bank for advances if proposed loan is carried through?

By opposing the pledging of the surplus of the southern customs for the reason set forth in my telegram No. 384 of the 9th September, penultimate paragraph, we should perhaps be on safer ground.

[35566]

No. 469.

Sir G. Barclay to Sir Edward Grey.—(Received September 10.)

(No. 386.)

(Telegraphic.) R.

Tehran, September 10, 1911.

MY telegram No. 371 of 2nd September.

Following is substance of Shuster's reply to Russian Government:—

Purpose of Treasury gendarmerie is to collect taxes and to produce a feeling of public security and order without which in Persia collection of taxes becomes impossible. Eventually force will be Persian except for a few European or American superior officers. Force will eventually be from 12,000 to 15,000 strong, but will not reach that strength for eighteen months. Shuster states his view strongly that two gendarmerie forces will be unnecessary and uneconomical. He thinks "mere presence

in most instances of a well-organised and disciplined force will be sufficient to maintain order, and such attempts at local disturbances as might arise from time to time could well be repressed by a force having general police powers, unless, indeed, disorders became serious enough to demand attention of a regular army."

[35567]

No. 470.

Sir G. Barclay to Sir Edward Grey.—(Received September 10.)

(No. 387.)

(Telegraphic.) R.

Tehran, September 10, 1911.

MY telegram No. 351 of 24th August.

Should I communicate to Persian Transport Company's manager such parts of Wilson's despatches Nos. 11 and 12 to Cox of 25th July and 27th July as I think desirable? Company's engineer is on his way to carry out survey.

[35568]

No. 471.

Sir G. Barclay to Sir Edward Grey.—(Received September 10.)

(No. 388. Urgent.)

(Telegraphic.) R.

Tehran, September 10, 1911.

MY telegram No. 382 of 8th September.

Minister for Foreign Affairs informs me that Russian consul-general has notified Tabreez authorities that, as Russian military force has taken upon itself to protect foreign subjects, and was entrusted with maintenance of order, Persian authorities and the population must not construct barricades or fight within the walls. If they wish to fight they must do so outside town.

Minister for Foreign Affairs protests to me privately against this action, and points out that it places the defenders of Tabreez at a disadvantage, and that at least similar warnings should be given to Suja-ed-Dowleh [group undecipherable] and Mushir-ed-Dowleh not to approach Tabreez. Minister for Foreign Affairs says that if Russia persists in pursuing this "ill-advised and outrageous policy," Persian Government will have no alternative but to denounce her aggression to the world, and will resign in a body.

Russian Minister tells me that standing orders of Russian military authorities in Persia are to prevent pillaging and fighting where troops are quartered. He says that he has no control over troops in Persia, and has laid case before his Government.

[35569]

No. 472.

Sir G. Barclay to Sir Edward Grey.—(Received September 10.)

(No. 389.)

(Telegraphic.) P.

Gulahek, September 10, 1911.

EX-SHAH movement.

Reference to my immediately preceding telegram of to-day's date.

Minister for Foreign Affairs complains bitterly in his message of the apathy and unconcern evinced by His Majesty's Government, who, he states, allow Russian "vandalism" free scope.

In spite of official statements to the effect that Mehemet Ali Mirza is in the Sovad Kuh district, it is the generally credited opinion that he is on board a ship on the Caspian watching developments.

It seems to me that an occasion now presents itself for doing something to clear away this cause for reproach.

Some days ago Nasr-ul-Mulk expressed to me the hope that Russian Government would not allow the ex-Sbah to proceed by ship from one scene of rebellion to another, e.g., Astara. Persian Government are powerless to take steps, as the Caspian is a Russian lake.

His Majesty's Government might perhaps find it possible to urge Russian Government to prevent Russian asylum from being thus abused.

[35592]

No. 473.

Sir G. Lowther to Sir Edward Grey.—(Received September 11.)

(No. 623.)

Sir,

Constantinople, September 6, 1911.

WITH reference to my despatch No. 578 of the 16th August, I have the honour to forward herewith a despatch from His Majesty's consul at Bussorah, reporting on the disturbances on the Lower Tigris.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 473.

Acting Consul Matthews to Sir G. Lowther.

(No. 43.)

Sir,

Bussorah, August 10, 1911.

I HAVE the honour to report, for your Excellency's information, that on the 3rd instant the vali informed me, in the course of conversation, that 600 Persian brigands had crossed the frontier and had reached the Tigris some distance below Ezra's tomb (Ozair). Jelal Bey was unable to give me any further information on the subject.

After leaving the vali, I requested Messrs. Lynch Brothers' agent to telegraph a warning to the Lynch steamer, which was on its way from Bagdad to Bussorah.

The arrival on the evening of the 3rd instant of a grain lighter, which had been fired on near Ezra's tomb, confirmed the vali's statement.

On the 4th instant I saw the vali twice, and urged him to take measures for the protection of life and property on the Tigris. After some hesitation he was prevailed upon to accept the offer of Messrs. Lynch Brothers' launch "Bulbul" to convey troops to Ezra's tomb, in order to learn what the situation really was.

On the 5th instant the "Bulbul" proceeded up river with some sixty troops. On arrival at Seraifah, between Kurnah and Ezra's tomb, negotiations were opened with the "brigands," who were discovered to be for the greater part Arabs of the Al-bu-Muhammed tribe, reinforced by a few hundred Arabs from the Beni Turuf tribe of Hawizeh, in Persia. Their leader was found to be Abdul Kerim-bin-Seihud, a member of a leading family of the Al-bu-Muhammed tribe, which occupies both banks of the Tigris from Amarah almost to Kurnah. The colonel in command of the expedition, sent up river by the "Bulbul," availed himself of the good offices of a local sheikh, Gebashi-as-Saad, to inform Abdul Kerim that his demands would be granted provided that he, on his part, undertook not to molest river traffic. The "Bulbul" then proceeded to Ezra's tomb, whence the news was telegraphed to Shattrat-al-Amarah (Kaleh Salih) that the river was open. Lynch's steamer, "Mejidieh," and the Turkish river steamer, "Hamidieh," then came down and arrived in Bussorah on the 8th instant.

The "Marmariss" was dispatched up river on the 7th instant, but was unable to proceed beyond Kurnah, as the river is now low.

The cause of Abdul Kerim-bin-Seihud's demonstration is as follows: For the past fifty years certain lands, known as the Chuala Mukataa and situated in the neighbourhood of Amarah, have been farmed out to the Seihud family. Since the restoration of the constitution, the Government's policy has been to break the power of the more powerful chiefs. In pursuance of this policy, the leading members of the Seihud family were outlawed, little attention being paid to their applications for the Chuala Mukataa, which was assigned to one Arabi and to certain petty sheikhs. The Seihud family resented this treatment, more especially as they had made a deposit of £T. 2,750 with the Governor of Amarah, on the understanding that the land would be farmed out to them.

Abdul Kerim's secretary arrived here on the 8th instant, and is negotiating with the vali. It is understood that the authorities have promised to grant half of the Chuala Mukataa to the Bin Seihud family, and it is thought that, if this solution of the difficulty is adopted, the situation on the Lower Tigris will become normal.

Abdul Kerim's followers, who are estimated by competent eye-witnesses at 2,000 armed men, have not yet been disbanded. In addition to Martini and antiquated rifles, they are said to have 400 Mauser rifles of modern type and 175,000 rounds of ammunition. Military operations against Abdul Kerim would be difficult, as the country

between Ezra's tomb and Hawizeh is marshy and favourable to Arab methods of warfare.

Although from the 3rd to the 8th instant several grain lighters were plundered, and two at least with their cargo, worth £T. 500, were burnt, while some twenty lighters were delayed at Ezra's tomb by his followers, Abdul Kerim maintains that brigandage is not his object. It is quite possible that the grain lighters were plundered without his knowledge.

I have, &c.

W. D. W. MATTHEWS.

[35584]

No. 474.

Sir G. Barclay to Sir Edward Grey.—(Received September 11.)

(No. 390.)

(Telegraphic.) R.

Tehran, September 11, 1911.

MY telegram No. 388 of 11th September.

Russian consul-general at Tabreez reports that he has made to Suja-ed-Dowleh notification similar to that made to Tabreez authorities.

[35833]

No. 475.

Sir G. Barclay to Sir Edward Grey.—(Received September 11.)

(No. 392.)

(Telegraphic.) R.

Tehran, September 11, 1911.

DR. ESSELSTYN, of the American Presbyterian Mission, has been ordered to Khorassan to start a branch mission in that province with further idea of extending mission's work into Afghanistan.

I have told him Government of India might have something to say on this proposal, and although he has no intention of entering Afghanistan for some time to come, I report by telegraph in order that I may be in a position to explain to him Government of India's view as regards proposed Afghan mission before he leaves for Khorassan.

[35831]

No. 476.

Sir G. Barclay to Sir Edward Grey.—(Received September 11.)

(No. 394.)

(Telegraphic.) Decode.

Tehran, September 11, 1911.

MY telegram No. 374 of the 4th September.

Vice-consul at Sultanabad reports Salar-ed-Dowleh's forces have defeated Amir Mufakham who has retreated towards Sultanabad, where his cousin Sardar Zaffar has 500 Bakhtiari reinforcement.

[35567]

No. 477.

Sir Edward Grey to Sir G. Barclay.

(No. 259.)

(Telegraphic.) R.

Foreign Office, September 11, 1911.

YOUR telegram No. 387.

All of No. 12, except sections 6 and 8, last words of section 4 from words "an effort," and first words of section 7 as far as word "route" (with substitution of words "the company" for word "they" in next phrase) have already been communicated to the company here. You may make same communication to manager.

We have not yet decided which parts of No. 11 shall be communicated, but will let you know in due course.

[35918]

No. 478.

Sir G. Buchanan to Sir Edward Grey.—(Received September 12.)

(No. 261.)

Sir,

St. Petersburg, September 9, 1911.

WITH reference to your despatch No. 201 of the 25th July last, I have the honour to transmit herewith a copy of the reply which I have received from Mr. Pagenkopf, the representative in St. Petersburg of the Indo-European Telegraph Company, to the communication which I addressed to him by your instructions with regard to the company's proposed arrangements with the Persian Government.

I regret that in the communication originally made to Mr. Pagenkopf the warning as to the construction of telegraph lines into Afghanistan was inadvertently omitted, but this omission has now been made good, and the warning has been conveyed.

It is evident, I think, from Mr. Pagenkopf's letter that he is entirely dependent for instructions on his principals in London. His letter, moreover, leaves things exactly where they were, and the onus of suggesting any modifications in the company's agreement with Persia is left with the Russian Government. It is quite conceivable that in these circumstances an agreement might still be concluded which might subsequently involve us in difficulties and misunderstandings with the Russian Government. I therefore venture to suggest whether it would not be possible to give the principals of the company in London some more definite indication as to the points in the proposed agreement which would clash with the arrangements which we have already concluded with the Russian Government, or whether they might not at least be told that in any further conversations which their representative here may have with the Russian authorities he should point out to them that he has been warned that such discrepancies exist, and beg them to give careful consideration to the terms of the proposed agreement with a view to discovering where they would impinge on the arrangements already concluded between the British and Russian Governments.

I have, &c.

GEORGE W. BUCHANAN.

Enclosure in No. 478.

Mr. Pagenkopf to Sir G. Buchanan.

Sir,

September 8, 1911.

I BEG to acknowledge the receipt of your letter of the 8th August last, copy of which was forwarded at the time to my company in London, and, in reply, I have been instructed to state that, as regards the proposed agreement with Persia, the Indo-European Telegraph Company is prepared to accept any modifications the Russian Government may deem necessary to bring the agreement into line with arrangements already entered into with the British Government.

I am, &c.

L. PAGENKOPF.

[35862]

No. 479.

India Office to Foreign Office.—(Received September 12.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 9th September, regarding the state of affairs at Bunder Abbas.

India Office, September 11, 1911.

Enclosure in No. 479

Government of India to the Marquess of Crewe.

(Telegraphic.) P.

September 9, 1911.

VILLAGES were recently looted by Baharlu raiders to the number of some 400, who appeared unexpectedly in Bunder Abbas district. As a protest against chronic state of lawlessness on the trade route and failure to obtain compensation for continued robberies of merchandise, seventeen Hindu merchants at Bunder Abbas closed their shops and proceeded to the consulate. Increase to fifty men under one officer from Jask has been effected in Bunder Abbas consular guard.

Two hundred Persian troops will shortly proceed from Bushire to Bunder Abbas, and there are now no raiders in neighbourhood of latter place. Pending arrival of troops, His Majesty's ship "Espiègle" will stand by; after their arrival, she will go back with extra consular guard to Jask.

[35930]

No. 480.

India Office to Foreign Office.—(Received September 12.)

Sir,

India Office, September 12, 1911.

IN reply to your letters dated the 1st and 5th September, 1911, respectively, regarding a loan of 4,000,000*l.* which Messrs. Seligman, supported by a group of British financiers, propose to make to the Persian Government, I am directed by the Secretary of State for India to offer the following observations for the consideration of Secretary Sir E. Grey:—

One of the conditions of the loan is that the powers as now established of the Treasurer-General, who must be an American or a European approved by his Government, must not be diminished without Messrs. Seligman's consent. As explained in the despatch No. 95, 13th June, 1911, of His Majesty's Minister at Tehran, the powers in question are very wide, and the undertaking that they should continue undiminished (save with Messrs. Seligman's consent) for a period possibly of forty years is an engagement of a stringent character. If the Persian Government, however, are prepared to give it, and provided that it will always be open to His Majesty's Government to protest effectually if the holder of the office should exercise his powers in a manner detrimental to British interests, there would seem to be no reason why objection should be taken to the condition.

With regard to Messrs. Seligman, it is observed that besides having the power to give or withhold the consent above mentioned they would be empowered, in the event of default, to administer certain important revenues, and that the expenditure of the loan by the Treasurer-General would be subject to the consent of their representative at Tehran. The Marquess of Crewe has no precise information as to the character of the firm or the amount of reliance that may be placed on their continuing to act in accord with His Majesty's Government, but he assumes that Sir E. Grey is satisfied on this point, and also as to the sufficiency of the undertaking that the firm's representative at Tehran will act in agreement with the British and Russian Legations.

No expression of opinion on the questions of policy involved in the proposed loan is contained in your letters under reply. If Sir E. Grey is satisfied as to these, Lord Crewe, subject to the foregoing observations, sees no reason, so far as Indian interests are concerned, for objecting to the terms proposed.

The assurance of Messrs. Seligman with regard to banking the receipts in equal shares between the Imperial Bank of Persia and the Russian Bank, coupled with their statement that no portion of the loan will be used to establish a bank, seems to protect sufficiently the interests of the Imperial Bank of Persia.

I am, &c.

R. RITCHIE.

[35909]

No. 481.

Sir G. Barclay to Sir Edward Grey.—(Received September 12.)

(No. 394.)

(Telegraphic.) R.

Tehran, September 12, 1911.

M. DE HERBETTE, correspondent of "Siècle," has told French Minister that Persian Government wish to engage him as assistant to Ministry of Public Instruction, and have asked French Minister not to thwart proposal.

French Minister has been instructed to ascertain my Russian colleague's and my views, and we have told him that appointment would be unwelcome, not only because of general objection to such appointments for subjects of European Great Powers, but also because M. de Herbertte is strongly opposed to his Government's attitude of sympathy towards Anglo-Russian policy in Persia, and is closely identified with extreme nationalist party.

[35931]

No. 482.

Sir G. Barclay to Sir Edward Grey.—(Received September 12.)

(No. 395.)

(Telegraphic.) P.

Gulahek, September 12, 1911.

EX-SHAH movement.

It would seem that the insurrection in Mazanderan is in a bad plight.

From Asterabad the Russian consul reports Mohammad Ali Mirza's reappearance at Gumesht-tepe with seven followers.

At Barfrush Amir Mukarram has taken bast at the Russian vice-consulate.

[35938]

No. 483.

Sir G. Barclay to Sir Edward Grey.—(Received September 12.)

(No. 396.)

(Telegraphic.) R.

Tehran, September 12, 1911.

MY telegram No. 382 of 8th September.

Following from His Majesty's representative at Tabreez:—

"During past week merchants twice visited Suja-ed-Dowleh to prevent him attacking the town. He demands permission to enter Tabreez, failing which he declares he will stop supplies. All roads, except Julfa road, are closed. Price of food is rising rapidly.

"The nationalists are preparing a supreme effort to oppose Suja-ed-Dowleh; have erected barricades in outskirts of the town and distributed 4,000 rifles."

[35830]

No. 484.

Sir Edward Grey to Sir G. Louther.

(No. 335.)

(Telegraphic.) P.

Foreign Office, September 12, 1911.

TURKISH consul at Bushire.

I have repeated to you Sir G. Barclay's telegram No. 391 of yesterday, from which consul appears to be still at Bushire. We presume, therefore, that he will be instructed by Porte to apologise to our vice-consul. Mention this to Grand Vizier, and remind him that result of immediate enquiry which was promised in your telegram No. 194 of the 29th August has not yet reached us.

[33758]

No. 485.

Sir Edward Grey to Sir G. Barclay.

(No. 113.)

Sir,

Foreign Office, September 12, 1911.

I HAVE received your despatch No. 150 of the 9th ultimo relative to the recent development of Beluchi raids in the Kainat and the complicity of the Governor of Seistan in these disorders.

I approve the representations which you have made to the Persian Government in regard to the proceedings of the Hashmet-ul-Mulk, and I have to request that you will continue to use every endeavour to induce the Persian Government to remove him from his post.

I am, &c.

E. GREY.

[36038]

No. 486.

Sir G. Barclay to Sir Edward Grey.—(Received September 13.)

(No. 397.)

(Telegraphic.) R.

Tehran, September 13, 1911.

MY telegram No. 383 of 8th September.

Following from His Majesty's consul-general at Bushire, No. 223:—

"Our interests are enormously prejudiced by continued retention of Kawam in consulate, and the action of his household in introducing and harbouring these conspirators (Arab and Baharllu chiefs are reported to be staying in the house of Kawam) seems to me to afford every justification for getting rid of him, if we can do so without undue risk to his life. Could we not say to Governor-General, 'If you and Soulet will telegraph to Persian Government a solemn undertaking to remain quiet and respect his safety, we will send Kawam in charge of consular escort to a point agreed to, and there hand him over to Khamseh chiefs, provided that Kawam on that date telegraphs to Persian Government that he will remain quietly with tribes outside striking distance of Shiraz, and there await orders of Central Government as to his future'?"

I concur in above proposal, and am endeavouring to reach settlement on these lines, but I need your sanction for proposed employment of part of consular escort.

[36039]

No. 487.

Sir G. Barclay to Sir Edward Grey.—(Received September 13.)

(No. 398.)

(Telegraphic.) Decode.

Tehran, September 13, 1911.

SHIRAZ.

Governor-General is bombarding eastern quarter, where Kawam's house is situated.

[36051]

No. 488.

Sir G. Barclay to Sir Edward Grey.—(Received September 13.)

(No. 399.)

(Telegraphic.) R.

Tehran, September 13, 1911.

MY telegrams Nos. 388 and 389 of 10th September.

Following is substance of a message from Minister for Foreign Affairs:—

Government force from Firozkuh has totally dispersed ex-Shah's forces in Savadkuh. Ex-Shah reached Gumesht-tepe by boat from Kara-tepe, near Ashraf. His Majesty's only chance now of avoiding capture is that he should take refuge on Russian soil or on Russian ship. Either form of asylum would be a violation not only of article 10 of protocol, but also of the declaration of non-interference. Article 10 precludes further asylum being given to former bastis [group undecypher-

[1505]

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able] should *a fortiori* apply to ex-Shah. Principle of non-intervention is clearly violated if whenever ex-Shah is in difficulties he is given asylum in Russia, with opportunity of making Russian territory a base from which he can safely resume fomenting of troubles and of bloodshed, which have occasioned Persian Government ruinous expense and for which he has been twice expelled.

Persian Government are appealing on these grounds to Russian Government in confidence that ex-Shah will not be allowed access to Russian territory, and, if by chance he succeeds in eluding vigilance of Russian authorities, that he and his companions will be arrested and handed back to Persian Government.

[36048]

No. 489.

Sir G. Buchanan to Sir Edward Grey.—(Received September 13.)

(No. 206.)

(Telegraphic.) P.

St. Petersburg, September 13, 1911.

PERSIAN gendarmerie.

Telegram No. 380 from Tehran to Foreign Office and Foreign Office telegram No. 256 to Tehran.

In a conversation which I had with M. Nératof this afternoon, I mentioned the conversations which had taken place at Tehran between M. Poklewsky and Mr. Shuster with regard to the organisation of the gendarmerie force. I asked M. Nératof what he thought of these negotiations.

He said that he was giving his serious attention to this very difficult question, and was most anxious to solve it in a manner which would be satisfactory to Mr. Shuster and would at the same time be acceptable to Russian public opinion. The proposed gendarmerie was not to be used for fiscal purposes only, but was to be an armed body of men to be employed in any part of Persia for the maintenance of order. He feared that, in these circumstances, a very bad impression would be made here by the appointment of Stokes, even for a few months.

I replied that there seemed to be urgent need for the organisation of some such force, but that His Majesty's Government did not wish to support any arrangement to which Russia might object, and were therefore taking no part in the negotiations. I added that Shuster seemed still to be of opinion that there was no one capable of undertaking the work of organisation except Stokes. To this M. Nératof demurred, and said that he thought it might be possible to find some other person at Tehran, mentioning, among others, an Austrian. On my enquiring whether it would be agreeable to him to see an Austrian in command of such a force, he replied that the individual whom he had mentioned was already in the service of the Persian Government.

Even if M. Nératof were to agree to Major Stokes being temporarily employed I fear that the Russian press would again begin to attack us. A telegram from Tehran on this subject has quite recently appeared in the "Novoe Vremya." The telegram emphasised Stokes's anti-Russian point of view, and denounced the idea of his being engaged.

[36144]

No. 490.

India Office to Foreign Office.—(Received September 14.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 13th September, regarding an escort for telegraph officers in Persia.

India Office, September 14, 1911.

Enclosure in No 490.

Government of India to the Marquess of Crewe.

(Telegraphic.) P.

September 13, 1911.

SEE your telegram dated the 18th October last. We have issued instructions for telegraph officer to be furnished, while on tour, with escort of one Indian officer and fifty men from Jask garrison.

[36130]

No. 491.

India Office to Foreign Office.—(Received September 14.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of the Marquess of Crewe, forwards herewith, for the information of the Secretary of State, copy of enclosure in a letter from the Foreign Secretary to the Government of India, dated the 24th August, 1911, relative to:—

Proceedings of the Turkish consul at Lingah;
Proposed communication to the Turks by certain agreements.

India Office, September 14, 1911.

Enclosure in No. 491.

Lieutenant-Colonel Cox to Government of India.

(Telegraphic.) P.

Bushire, August 18, 1911.

IN continuation of my telegram No. 759, dated the 14th August.

The Turkish consul has returned from Lingah by mail, which also brings a letter from Mr. New. Latter reports that when Turkish consul called to say good-bye he informed New that he had registered about 420 persons as Turkish subjects, and only stopped because his stock of certificate forms had run out; and that when pearling fleet returned there would be at least 5,000 Turkish subjects in Lingah. On being asked on what qualifications he had registered these people, he replied that their ancestors had come generations ago from Turkish territory, such as Katar, Katif, Bussorah, &c. He added that if Persian authorities attempted to interfere with those persons whom he had just registered, the Turks would retaliate in the case of Persian subjects in Bagdad and Bussorah. On arrival at Bushire, Turkish consul called at residency office and communicated with me through first assistant by telephone. He corroborated above statements regarding registrations, and asked me to send instructions to Mr. New to recognise them. I replied that Mr. New, as Turkish representative, was not under my orders, but under those of the Turkish Embassy, and that the question was one which concerned the Turkish consular authorities and the Persian Government, and that I saw no use in discussing it with him, except to say that if I had been in New's place I should have considered he behaved with great discourtesy in acting as he had without consulting Mr. New as Turkish representative at Lingah.

New thinks that registrations will prove to include subjects of Oman, Trucial Coast, &c. I am instructing him to take possession of any registration certificates which he can secure, and to report further upon them.

I shall be glad of instructions of the Government of India as to what action would be best in the case of certificates based on original connection with Koweit, Katar, or Nejd?

(Addressed to His Britannic Majesty's Minister, Tehran, and repeated to Government of India.)

[36141]

No. 492.

Sir G. Barclay to Sir Edward Grey.—(Received September 14.)

(No. 400.)

(Telegraphic.) P.

Gulahek, September 14, 1911.

SITUATION at Shiraz.

Reference to my telegram No. 397, dated the 13th September.

Nizam-es-Sultaneh informs acting consul that he would rather that Kawam remained at the consulate than that he should be delivered into the hands of his tribes, as he is unable to trust Kawam's assurances.

For the present, therefore, I fear that retention of Kawam in the consulate is unavoidable.

[36152]

No. 493.

Sir G. Barclay to Sir Edward Grey.—(Received September 14.)

(No. 401.)

(Telegraphic.) P.

Gulahek, September 14, 1911.

SOUTHERN roads.

In reply to your telegram No. 253 of the 4th September, I have the honour to report that certain local chiefs are already subsidised by the Persian Government for the purpose in question, but the arrangement does not work well, and I think that subsidisation would only prove practicable and effective as a concomitant of a road scheme worked by our officers.

I fear that no temporary measure likely to effect any material improvement pending the organisation of road guards or a gendarmerie suggests itself to my mind, with the exception of one which would necessitate the employment in some form of British troops.

On the other hand, the prospect of a gendarmerie being set on foot which would be fitted to the requirements of our trade is rendered more remote by the attitude of the Russian Government towards the Stokes's appointment, and even in the event of the Persian Government obtaining funds, many months must elapse before any effective body could be organised if Stokes's services are not available.

Again, our own scheme of road guards could not be made effective for at least six months after the officers had begun work. And now that the Kerman-Bunder Abbas road has also to be taken into consideration—I do not include the Bakhtiari road, for the Bakhtiaris, when not occupied against Mohammad Ali Mirza, should be able to maintain order on it—this scheme itself would have to be of a more extensive nature than was at first contemplated. I doubt, moreover, that the Persian Government could be compelled to agree to our scheme by anything less than a threat, which might have to be executed, of some sort of occupation by British troops. I would also point out that the revenues of Fars, on which we relied for the major portion of the cost, now yield nothing to the Central Government.

Meanwhile, Colonel Cox makes the following suggestions for action, which the existing anarchy would, I consider, thoroughly justify, and which would bring about an immediate amelioration in the state of affairs without constituting intervention. The scheme proposed would at the same time avoid the prospect of those far-reaching consequences which an occupation of the roads by British troops would entail. Following is a résumé of Colonel Cox's proposals:—

The addition of 100 men to the mounted escorts at Ispahan, Bushire, Kerman, and Bunder Abbas; the addition of 200 men to the Shiraz escort, and the establishment of a vice-consulate with an escort of 200 men at Bam. Colonel Cox further suggests that suitable officers should be placed in command of these escorts, which he proposes should be used in detachments of up to fifty men for escorting organised British caravans dispatched at occasional intervals. A warning would be given to the khans and tribesmen who dwell along the roads that the continued insecurity of the routes for purposes of trade had driven us to take these precautions, and they might further be informed that we hoped for their friendly co-operation. Our arrangements would, on the other hand, be made more comprehensive if they showed hostility or withheld their co-operation. The guards would be reduced as soon as the gendarmerie developed into an effective body.

Short of the occupation of the roads by British troops, I believe that Colonel Cox's proposals offer the best hope of early improvement. We must not, however, if the scheme is adopted, overlook the possibility of the escorts incurring blood feuds with the robber tribes, and thus necessitating punitive measures. Russian Government would not, I presume, raise objections to the increased escort at Ispahan if it were made clear that no operations would be undertaken north of that town. In the event of complaints from foreigners that the escorts lent their protection exclusively to British caravans becoming too insistent, I presume that we could arrange that foreign goods should, at their own risk, accompany them.

[36046]

No. 494.

Sir G. Lowther to Sir Edward Grey.—(Received September 14.)

(No. 204.)

(Telegraphic.) P.

Constantinople, September 13, 1911.

PROCEEDINGS of Turkish consul at Lingah.

Please see my telegram No. 200 of the 6th September and your telegram No. 335 of the 12th September.

I have received reply from Porte intimating that late consul cannot be called upon to apologise to Mr. New, as he has been dismissed from the service, and that enquiry can only be conducted by his successor.

[35569]

No. 495.

Sir Edward Grey to Sir G. Buchanan.

(No. 527.)

(Telegraphic.) P.

Foreign Office, September 14, 1911.

EX-SHAH movement.

Please see Tehran telegram No. 389 of the 10th September.

Report exists that ex-Shah is on the Caspian Sea ready to land at any centres of fresh disorder should the opportunity occur. We presume that, if the report is true, Russian Government will do what is necessary to prevent his committing any abuse of Russian asylum. You should ask them whether they have any information as to Mohammed Ali's present whereabouts.

[35565]

No. 496.

Mr. Mallet to Sir T. Jackson.

Dear Sir Thomas,

Foreign Office, September 14, 1911.

YOU know that, after our conversation on the 8th on the subject of the desire of Messrs. Seligman to obtain a lien on the uncharged surplus of the customs of Southern Persia as security for their proposed loan to the Persian Government, a telegram was sent to Sir G. Barclay, explaining the grounds of the objection raised by the Imperial Bank of Persia to such an arrangement, and stating that His Majesty's Government could not consent to this loan if the bank were repaid out of it, and that they could not allow further liens on these customs, because, unless it had them as security to fall back on, it could not go on making to the Persian Government the advances which it was continually being pressed by them to grant.

Sir G. Barclay has now replied that he thinks that you, in speaking of the bank's advances, must have been referring to the Persian Government's overdraft at the bank and not to the bank's recent loan, as it would be bad finance to pay off the loan at par before the bonds fell due, and the Treasurer-General would not sanction such a step even if Messrs. Seligman contemplated taking it, which Sir G. Barclay much doubts.

He accordingly submits that, in paying off the overdraft, Messrs. Seligman would not, as suggested, be supplanting the bank, and adds that he presumes that His Majesty's Government would not make it a condition of their consent to the loan that the overdraft should not be extinguished.

I should be obliged if you would let me know whether you were referring in our

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conversation to the overdraft, as Sir G. Barclay surmises, or to the recent loan made by the bank, and whether the bank's objections to the extinction of the former are as great as to that of the latter.

Yours sincerely,
LOUIS MALLET.

[36265]

No. 497.

Imperial Bank of Persia to Mr. Mallet.—(Received September 15.)

25, Abchurch Lane, London,
September 15, 1911.

Dear Mr. Mallet,

I HAVE yours of yesterday.

Sir George Barclay is correct in thinking that in my conversation I was referring to the Persian Government's overdraft at the bank, and not to the recent loan which we are convinced is amply secured.

It may be remarked that if our recent loans or advances to the Persian Government (other than the Government loan of 1,250,000*l.*) were paid off, we could not have any objection to the surplus of the southern customs being alienated, my reply is that no matter what loans the Persian Government raise, they will come to us for advances. Our opinion is that if the loan suggested by Messrs. Seligmann were negotiated, it would not be very long before we would be pressed for money, and our position would be a most difficult one if the only security we consider worth relying upon were in other hands.

We wish to keep the balance of the southern customs unalienated to anyone to be in a position to meet the future demands the Persian Government will most assuredly be making upon us.

Yours sincerely,
T. JACKSON.

[36163]

No. 498.

Sir G. Barclay to Sir Edward Grey.—(Received September 15.)

(No. 402.)

(Telegraphic.) P.

Gulahek, September 15, 1911.

I HAVE the honour to report that the treasurer-general has now informed M. Poklewski and myself in writing of his application to Messrs. Seligman. He expresses the hope in his letters that the two Governments will lend their good offices with a view to bringing about a successful issue to the negotiations.

I understand that the treasurer-general requested Minister for Foreign Affairs a month ago to make a communication to us on these lines, but his Excellency having failed to do so, Mr. Shuster now makes it direct to the two legations. It is not clear why Minister for Foreign Affairs was reluctant to comply with Mr. Shuster's request. It is possible that he fears to commit himself in some manner. Minister for Foreign Affairs has practically never alluded to the loan in conversation with me.

[36339]

No. 499.

Sir G. Buchanan to Sir Edward Grey.—(Received September 15.)

(No. 211.)

(Telegraphic.) P.

St. Petersburg, September 15, 1911.

I SAW M. Nératof to-day, and addressed to him an enquiry as instructed in your telegram No. 527 of the 14th September.

His Excellency said that Mohammad Ali would not be received on board any of the steamers plying regularly on the Caspian under the Russian flag unless instructions to take him were given to them or unless he should contrive to make his way on board in disguise. It was impossible, however, for the Russian Government to prevent the ex-Shah escaping on any boat which a private individual might place at his disposal.

From the language used by M. Nératof I gathered that if Mohammad Ali were to succeed in making his way to Baku the Russian Government would certainly not

hand him over to the Persian Government, while his Excellency further intimated that that could not be refused to His Majesty.

I reminded M. Nératof of our declaration as to non-intervention and of the terms of article 10 of the protocol. He said that his Government were anxious to act up to their engagements, and promised to look up the article of the protocol to which I had referred. At the same time I think it unlikely that the Russian Government will do anything to facilitate the capture of the ex-Shah.

[36383]

No. 500.

India Office to Foreign Office.—(Received September 16.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 15th September, regarding the survey of the Firuzabad route.

India Office, September 15, 1911.

Enclosure in No. 500.

Government of India to the Marquess of Crewe.

(Telegraphic.) P.

September 15, 1911.

SURVEY between Shiraz and Bushire. See your telegram dated the 31st ultimo.

Officer selected is Captain Hopkins. His pay, in addition to charges for deputation, travelling allowances, and staff, will be 1,150 rupees per mensem. If Captain Hopkins is still in England, estimates could perhaps be furnished by him; or this will be done by us on his arrival. He is due back at the beginning of next month.

[36403]

No. 501.

Anglo-Persian Oil Company to Foreign Office.—(Received September 16.)

Winchester House, Old Broad Street, London.

September 15, 1911.

Sir,

I BEG to acknowledge receipt of your letter of the 2nd instant, advising:—

1. That a report has been received from His Majesty's consul at Mohammerah to the effect that the complete removal of Kerim Khan from the district of Kasr-i-Shirin is desirable on many grounds, and that any attempt to come to an amicable settlement with him is inadvisable, because this would render it more difficult for His Majesty's legation to make the demand which he recommends;

2. That His Majesty's Minister at Tehran states that he will not fail to press the Persian Government for the removal of Kerim Khan as soon as they have recovered some vestige of their authority in the district in question, but that, owing to the rebellious Prince Salar-ed-Dowleh being now in full possession of the Kermanshah district, nothing can be done for the present; and

3. That His Majesty's Minister deprecates any pecuniary arrangement, such as was suggested in my letter of the 20th June last, being come to with Kerim Khan;

and that Sir Edward Grey concurs with the above views.

I have to thank you for the attention which has been given to this matter, and to say that the views expressed by Lieutenant Wilson and Sir George Barclay are entirely in accord with those of my Board, who appreciates very much the latter's assurance that he will deal with the question of the removal of Kerim Khan at the earliest opportunity.

I have, &c.

C. GREENWAY, Managing Director

[36428]

No. 502.

India Office to Foreign Office.—(Received September 16.)

Sir,

India Office, September 16, 1911.

I AM directed by the Secretary of State for India to reply to your letter dated the 8th instant, regarding the telegrams addressed by His Majesty's consul-general at Bushire to His Majesty's Minister at Tehran on the 15th and 18th August as to the registration of Turkish subjects at Lingah.

The telegrams in question have since been communicated to your department in letters dated the 7th and 13th September respectively.

It will be seen that the action of the Turkish consul was altogether haphazard, being based in some cases on no more tangible evidence than that the ancestors of those whom he registered "had come generations ago from Turkish territory." It further appears that subjects of the Trucial chiefs were also among the registered.

Though it is not stated that natives—at the present time—of Koweit and the Katr coast have actually been registered, Lord Crewe would propose, subject to Sir E. Grey's concurrence, to instruct the Government of India in the sense of the last paragraph of your letter under reply. The draft of a telegram to this effect is enclosed.

I am, &c.
R. RITCHIE.

Enclosure in No. 502.

Draft of Telegram from the Marquess of Crewe to Government of India.

(Secret.)

MY telegram of 2nd instant: Turkish consul.

His Majesty's Ambassador at Constantinople telegraphed 6th instant as follows:—

"Grand Vizier, while expressing his regret for what had occurred, said that, as consul had been dismissed and would most likely not get another post, it would not be possible to make him apologise to Mr. New. His successor, who left two weeks ago, has been instructed to make full enquiry into matters complained of."

Action of Turkish consul in registering subjects of Trucial chiefs, &c., seems to have been altogether haphazard. Co-operation of Cox as proposed in your telegram of 26th August is approved.

[36313]

No. 503.

Sir G. Barclay to Sir Edward Grey.—(Received September 16.)

(No. 403.)

(Telegraphic.) R.

Tehran, September 16, 1911.

GENDARMERIE force.

Austrian officer referred to in Sir G. Buchanan's telegram No. 206 of 13th September was appointed military instructor in 1905. He has been much on leave and is so now. In the last two years he has only spent about six months in Tehran. I do not know him.

(Sent to St. Petersburg.)

[36690]

No. 504.

Sir Edward Grey to Sir G. Buchanan.

(No. 532.)

(Telegraphic.) R.

Foreign Office, September 16, 1911.

PERSIAN Government have informed us that the ex-Shah is at Gumesh-tepe, and they fear he may seek asylum on a Russian vessel. They express the hope that such asylum will be refused. Please ascertain whether a similar communication has been made to the Russian Government, and what steps they propose to take.

[35833]

No. 505.

Foreign Office to India Office.

Sir,

Foreign Office, September 16, 1911.

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a telegram from His Majesty's Minister at Tehran,* relative to the intention of the American Presbyterian Mission in Persia eventually to extend their work to Afghanistan.

I am to request that the views of the Government of India on this question may be obtained by telegraph, and to add that, in Sir E. Grey's opinion, the enterprise is dangerous and ill-judged.

I am, &c.
F. A. CAMPBELL.

[36445]

No. 506.

Sir G. Barclay to Sir Edward Grey.—(Received September 17.)

(No. 404.)

(Telegraphic.) Decode.

Tehran, September 17, 1911.

MY telegram No. 396 of 12th September: Tabreez.

[? Acting consul-general] reports that Suja-ed-Dowleh surprised camp [of] Government troops, capturing one gun and some prisoners; fighting was continuing.

[36446]

No. 507.

Sir G. Barclay to Sir Edward Grey.—(Received September 17.)

(No. 405.)

(Telegraphic.) Decode.

Tehran, September 17, 1911.

MY telegram No. 398 of 13th September: Shiraz.

[? Acting consul-general] reports bombardment ceased 15th September, apparently owing to want of ammunition. There was fighting at close quarters during the night without apparently decisive result.

[36447]

No. 508.

Sir G. Barclay to Sir Edward Grey.—(Received September 17.)

(No. 406.)

(Telegraphic.) Decode.

Tehran, September 17, 1911.

MY telegram No. 393 of 11th September.

British vice-consul reports that Salar-ed-Dowleh's forces took Sultanabad 14th September. Bakhtiaris have fallen back on Kum. Salar has telegraphed Kermanshah that he will proceed to Tehran via Sultanabad.

[36659]

No. 509.

Mirza Mehdi Khan to Sir Edward Grey.—(Received September 18.)

THE Persian Minister presents his compliments to the Secretary of State for Foreign Affairs, and has the honour to enclose herewith translation of a telegram he has received from his Government regarding the action of the Russian consular agent in Bandare Gez. The Persian Minister is directed to draw the attention of Sir Edward Grey to these very serious violations of the independence and the integrity of Persia. Mirza Mehdi Khan most earnestly hopes that the Secretary of State for Foreign Affairs will do what he thinks advisable to put a stop to these acts, which are inexplicable, and can only result in disturbing the country.

Bandare Gez is only a short distance from Gumish-teppe, whither the ex-Shah

* No. 475.

[1505]

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has fled. It is most regrettable that at a time when the sarhaddar was most needed at Bandare Gez in order to keep watch he should have been thus forcibly removed!

It cannot be denied that reparation and a full explanation is due to the Persian Government.

Persian Legation, London, September 16, 1911.

Enclosure in No. 509.

Persian Minister for Foreign Affairs to Mirza Mehdi Khan.

(Translation.)
(Telegraphic.)

THE Russian consular agent at Bandare Gez has with the help of some Cossacks arrested the sarhaddar (the official who is entrusted with the keeping of the frontier) of Bandare Gez, and has sent him to Astrabad. Furthermore, sixteen soldiers have been sent to Bandare Gez and have arrested several of the leading merchants, including the manager of Messrs. Tounaniantz's office, and have taken them on board a Russian war-ship. I have asked the Russian Minister for an explanation of this extraordinary action. The Russian consular agent in question should be removed from his post.

[36658]

No. 510.

Mirza Mehdi Khan to Sir Edward Grey.—(Received September 18.)

THE Persian Minister presents his compliments to the Secretary of State for Foreign Affairs, and has the honour to refer his Excellency to his calls at the Foreign Office on the 13th and 15th instant regarding the flight of the ex-Shah to Gamish Tappe and to the conversation the Minister has had with Sir Arthur Nicolson.

Mirza Mehdi Khan would like to leave no doubt as to the great importance which his Government attach to this question. On the occasion of his visits to the Foreign Office he has put forward in detail the views of his Government. Now he wishes merely to emphasize certain points. The Persian Government do not for a single moment suppose that in view of the nature of the case the ex-Shah will be allowed by the Russian Government to enter their territory. Should he be allowed to do so, or should he be afforded refuge in Russia or on board a Russian vessel, this will be considered, in the first place, as a direct violation of the protocol of 1909, and, in the second place, as an act contrary to the assurances given by Great Britain and Russia (in answer to the protests of the Persian Government when Mohamed Ali Mirza returned to Persia), that, seeing that the ex-Shah had returned to Persia in contravention of the protocol of 1909, they would no longer give him any protection. After the events which have taken place, should the ex-Shah be afforded an asylum either in Russia or on board a Russian vessel, this will produce the very worst impression throughout Persia. Moreover, it will encourage the rebels and weaken the hands of the Government, and it will enable the ex-Shah to recommence his intrigues against the Persian Government with the assurance that he will always, when hard pressed, find a refuge in Russia.

*Persian Legation, London,
September 16, 1911.*

[36663]

No. 511.

Sir G. Barclay to Sir Edward Grey.—(Received September 18.)

(No. 407.)

(Telegraphic.) P.

Gulahek, September 18, 1911.

PERSIAN Railways Syndicate and Seligman Loan.

I learn that Mr. Shuster desires that a stipulation to the effect that the office of the treasurer-general should be maintained (*vide* last paragraph but three of my telegram No. 361 of the 26th August) should be inserted in the Persian Railway Syndicate's contract.

I telegraph this as M. Poklewski seems to think that the proviso in question may prove one of the obstacles to the Seligman loan in the eyes of the Russian Government.

[36523]

No. 512.

Sir G. Barclay to Sir Edward Grey.—(Received September 18.)

(No. 408.)

(Telegraphic.) R.

Tehran, September 18, 1911.

MY telegram No. 198 of 8th June: Turco-Persian frontier.

Delegates have accomplished their mission without incident and returned to Tabreez.

[36668]

No. 513.

Sir G. Barclay to Sir Edward Grey.—(Received September 18.)

(No. 409.)

(Telegraphic.) R.

Tehran, September 18, 1911.

YOUR telegram No. 532 of September 16th to St. Petersburg.

Russian Minister tells me that the Russian consuls are instructed that if the ex-Shah applies to them for protection to take vigorous measures for his protection short of the introduction of Russian troops.

They are not to help [him] to go on a Russian boat to another Persian port, but if he desires it they are to facilitate his passage to Russia.

[35930]

No. 514.

Sir Edward Grey to Sir G. Barclay.

(No. 264.)

(Telegraphic.) P.

Foreign Office, September 18, 1911.

SELIGMAN loan.

Please let me have your views as to condition 6 (see your telegram No. 361 of the 26th August). This condition states Seligman's eventual right to administration of revenues, and those of the mint in particular, and we are uncertain as to the advisability of its admission.

[36163]

No. 515.

Sir Edward Grey to Sir G. Buchanan.

(No. 541.)

(Telegraphic.) P.

Foreign Office, September 18, 1911.

SELIGMAN loan.

Please see Tehran telegram No. 402 of the 15th September.

Please inform Russian Government that, subject to certain conditions, one of which would be consent of Russian Government, His Majesty's Government are disposed to regard the request favourably. You should also ask them what attitude they intend to adopt in the matter.

[35918]

No. 516.

Foreign Office to India Office.

Sir,

Foreign Office, September 18, 1911.

WITH reference to your letter of the 17th July last relative to the proposed agreements of the Indo-European Telegraph Company with the Russian and Persian Governments respectively for the working and maintenance of certain telegraph lines in Northern Persia, I am directed by Secretary Sir Edward Grey to transmit to you herewith, to be laid before the Marquess of Crewe, copy of a despatch from His Majesty's Ambassador at St. Petersburg,* reporting the communications which have passed between his Excellency and M. Pagenkopf, the St. Petersburg representative of the company, in regard to the company's proposed arrangements with the Persian Government.

* No 478.

Lord Crewe will observe that Sir G. Buchanan suggests that the objections which exist to certain provisions of the agreement should be pointed out to the principals of the company in London, in order that the terms of the agreement in its final form may not clash with the existing agreements between His Majesty's Government and the Russian Government.

I am to state that Sir E. Grey proposes, subject to Lord Crewe's concurrence, to carry out Sir G. Buchanan's suggestion, and to give the company the substance of Mr. Kirk's observations contained in his memorandum which was enclosed in your letter of the 17th July.

I am, &c.
LOUIS MALLET.

[36428]

No. 517.

*Foreign Office to India Office.**Foreign Office, September 18, 1911.*

Sir,
I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 16th September, respecting the promiscuous registration of Turkish subjects at Lingah. I am to inform you that Sir E. Grey concurs in the terms of the draft telegram enclosed therein which the Secretary of State for India proposes to send to the Indian Government, approving the instructions to Colonel Cox suggested in the Viceroy's telegram of the 26th August.

I am, &c.
LOUIS MALLET.

[36780]

No. 518.

*India Office to Foreign Office.—(Received September 19.)**India Office, September 18, 1911.*

Sir,
WITH reference to the letter of this Office, dated the 14th September, 1911, regarding the provision of an escort of fifty men and one Indian officer from the garrison of Jask, for the telegraph officer while on tour, I am directed to say that, subject to the concurrence of the Secretary of State for Foreign Affairs, the Secretary of State for India would propose to confirm the action taken.

He presumes that, as on previous occasions, it will be left to the discretion of His Majesty's Minister at Tehran whether to inform the Persian Government.

I am, &c.
R. RITCHIE.

[36776]

No. 519.

Sir G. Barclay to Sir Edward Grey.—(Received September 19.)

(No. 410.)

(Telegraphic.) R.

Tehran, September 19, 1911.

SELIGMAN loan.

Shuster writes that delay in getting any intimation of the attitude of the two Governments is proving somewhat embarrassing to his work.

If there is going to be opposition he would like to know as soon as possible, as it would be then necessary for him to take up immediately certain other similar propositions which have been made to him. (There is one from International Oriental Syndicate for a loan of 4,500,000L., which Shuster has declined pending consideration of Seligman loan.)

Shuster urges that frank manner in which loan was submitted to two legations should entitle him to a prompt and clear expression of opinion from two Governments on this important and urgent matter.

He would much like to know views of His Majesty's Government without further delay, and hopes that he can also expedite Russia's reply.

[36857]

No. 520.

Sir G. Barclay to Sir Edward Grey.—(Received September 19.)

(No. 411.)

(Telegraphic.) R.

Tehran, September 19, 1911.

PERSIAN Government have again recalled Nizam. There seems to be for the moment no one in authority in Shiraz, for the karguzar has replied to acting consul's request for protection of British houses that Nizam refuses to take any action in regard to Fars affairs, and that man appointed deputy governor pending arrival of new governor has apparently left the town, and that he himself is unable to negotiate with tribes. I have asked Persian Government for an immediate pronouncement as to who is the authority locally responsible for order with whom acting consul should deal.

Acting consul reports situation is altogether most disquieting, and recommends the immediate dismissal of Kashgai chief, Soulet.

I am not prepared to advise this course, which is one which a Government with Bakhtiari Prime Minister would of their own motion have adopted had they felt strong enough.

I prefer at this juncture altogether to refrain from advice to Persian Government with regard to quarrels in Fars.

[36768]

No. 521.

Sir G. Barclay to Sir Edward Grey.—(Received September 19.)

(No. 412.)

(Telegraphic.) P.

Gulahek, September 19, 1911.

IT appears that Salar-ed-Dowleh is now a pretender to the throne. He has addressed telegrams to the Cabinet and to the Medjliss in which he uses the expression "Our Majesty." He announces his arrival at Kum in three days.

[36863]

No. 522.

Sir G. Barclay to Sir Edward Grey.—(Received September 19.)

(No. 413. Urgent.)

(Telegraphic.) Decode.

Tehran, September 19, 1911.

ACTING consul at Shiraz reports that Soulet has arrived with about 1,000 men at garden, 1 mile from consulate. One consulate servant has already been assaulted and beaten by his men. Deputy governor apparently was abducted by one of Soulet's dependents. Acting consul states his conviction, unless Soulet can be induced either by Persia or ourselves quit neighbourhood, situation, already very disquieting, will become immediately worse. Telegram concludes:—

"It is now two and a-half months our interests have been most gravely suffering from complete anarchy provoked by ambitious Nizam and Soulet, which have now reached such point that, on confession Government's representative, there is no authority in Shiraz capable of taking any steps to protect lives of British subjects and property. In this intolerable state of affairs I can see no other course but to write Soulet that, if he does not forthwith remove himself with his men from the neighbourhood, leaving Government of Persia free hand for restoration of order as they think fit, His Majesty's Government will immediately take steps to protect interests of ourselves and inflict penalties for any damage to these directly on him and Nizam."

I have replied as follows:—

"You should inform Soulet his presence with tribesmen in Shiraz only makes for disorder, and, should any harm to British life property render intervention necessary, consequences will be visited on him."

I did not authorise acting consul to make communication suggested, as it would involve dispatch of expedition if Soulet remains Shiraz, but if you approve I would propose separate message expressly threatening him with punitive measures if British subjects suffer harm.

[36152]

No. 523.

Foreign Office to India Office.

Sir, *Foreign Office, September 19, 1911.*
I AM directed by Secretary Sir E. Grey to transmit to you, to be laid before the Secretary of State for India, the accompanying decypher of a telegram from His Majesty's Minister at Tehran,* in which he suggests a scheme for endeavouring to put an end to the state of anarchy now prevailing on the roads in Persia.

In view of the probable long delay in the organisation of an efficient gendarmerie force for the protection of the southern trade routes, and having regard to the increasing anarchy in Persia, Sir E. Grey is disposed to think that Sir G. Barclay's proposal for the employment of materially strengthened consular guards as caravan escorts is worthy of the most serious consideration, and he would be glad to learn as soon as possible the views of the Secretary of State for India and of the Government of India upon the subject.

I am, &c.
LOUIS MALLET.

[36919]

No. 524.

India Office to Foreign Office.—(Received September 20.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 31st August, 1911, relative to the Bushire-Shiraz road.

India Office, September 19, 1911.

Enclosure in No. 524.

The Marquess of Crewe to Government of India.

(Telegraphic.) P.

India Office, August 31, 1911.

ROAD between Shiraz and Bushire. Please see correspondence forwarded with weekly letter dated the 11th instant from Secretary, Political Department, India Office.

It is desirable, in opinion of His Majesty's Government, that survey should be carried out. With a view to obtaining sanction of Treasury to division of cost, I request that estimates may be furnished without delay by telegraph. Officer, whether Hopkins or another, should be warned that he may be required at short notice for survey.

[36967]

No. 525.

Sir G. Barclay to Sir Edward Grey.—(Received September 20.)

(No. 415.)

(Telegraphic.) Decode.

Tehran, September 20, 1911.

SALAR-ED-DOWLEH, with force approximately estimated at 4,000, is now at Nobarem. His intention, it appears, is to advance on Tehran by way of Saveh.

[36965]

No. 526.

Sir G. Buchanan to Sir Edward Grey.—(Received September 20.)

(No. 221.)

(Telegraphic.) P.

St. Petersburg, September 20, 1911.

I ADDRESSED an enquiry to M. Nératof, in accordance with the instructions contained in your telegram No. 532 of the 16th September. His Excellency tells me

* No. 493.

that the Persian Government did approach the Russian Government with regard to the question of asylum being given to Mohamed Ali. The Russian Government replied that it was not likely that the ex-Shah would seek asylum with the Russians, as there was no Russian consulate near Gumesh Tepe; but that they could not refuse to receive him if he did take bast. M. Nératof added that the only Russian consulate to which Mohamed Ali could possibly apply was that at Astarabad.

I remarked that if the ex-Shah succeeded in reaching Russian territory he would probably arrive in a penniless condition, and I asked what the Russian Government proposed to do in that event. M. Nératof replied that the consideration of this question would have to be taken in hand when the situation contemplated had actually come to pass.

[36966]

No. 527.

Sir G. Buchanan to Sir Edward Grey.—(Received September 20.)

(No. 222.)

(Telegraphic.) P.

St. Petersburg, September 20, 1911.

SELIGMAN loan. Your telegram No. 541 of the 18th September.

M. Nératof says that he can say nothing until he has consulted the Minister of Finance, though he himself is favourable to the idea of loan in principle. For the past ten days the Minister of Finance has been absent from St. Petersburg. M. Nératof expresses the opinion that the repayment of the whole Russian loan would not be accepted by his Government, and he added that in no case would any arrangement be accepted which might injure the Russian Bank's financial position.

[36144]

No. 528.

Sir Edward Grey to Sir G. Barclay.

(No. 266.)

(Telegraphic.) P.

Foreign Office, September 20, 1911.

ESCORT for telegraph officers on tour. Orders issued for escort of one Indian officer and fifty men from garrison at Jask. I leave it to your discretion whether Persian Government should be informed.

(See my telegram No. 299 of the 14th October, 1910.)

[36780]

No. 529.

Foreign Office to India Office.

Sir,

Foreign Office, September 20, 1911.

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 18th September relative to the provision of an escort of fifty men and one Indian officer, from the garrison of Jask, for the telegraph officer while on tour, and to inform you that he concurs in the proposal of the Secretary of State for India to confirm the action taken.

His Majesty's representative at Tehran has been informed that he may use his discretion in the matter of informing the Persian Government.

I am, &c.

LOUIS MALLET.

[37056]

No. 530.

Sir G. Barclay to Sir Edward Grey.—(Received September 21.)

(No. 416.)

(Telegraphic.) P.

Gulahek, September 21, 1911.

SELIGMAN loan negotiations.

Reference to your telegram No. 264 of 18th September.

Eventual administration of the Mint by Messrs. Seligman would, I fear, apart from the objections to which it would probably give rise on the part of the Russian Government, enable the contractors, who have a grudge against the Imperial Bank, to

place the Mint contract, in the event of default, where they chose. Imperial Bank, who set a great value on this contract, held it this year and also in 1910.

With regard to the maliat I cannot believe, even supposing consent of Russian Government were forthcoming, that the Persian Government would really agree to hand over the administration of this revenue, which is such a part and parcel of the Government of the country, to a British creditor. But leaving this question out of consideration I do not see how, in the event of such a contingency, we could effectively support Messrs. Seligman. Default, indeed, is only likely to occur if the Central Government is unable to collect the maliat, and if even with the aid of the treasurer-general maliat is not forthcoming, I cannot conceive how Messrs. Seligman could collect it without more assistance from His Majesty's Government than the latter would be prepared to afford them.

As to the passport revenue, I do not see any objection from our point of view to its eventual control by Messrs. Seligman.

[37059]

No. 531.

Sir G. Barclay to Sir Edward Grey.—(Received September 21.)

(No. 417.)

(Telegraphic.) *En clair.*

Tehran, September 21, 1911.

MEDJLISS has voted engagement seven more Swedish officers for gendarmerie and police.

[37062]

No. 532.

Sir G. Barclay to Sir Edward Grey.—(Received September 21.)

(No. 418.)

(Telegraphic.) P.

Gulahek, September 21, 1911.

SELIGMAN loan negotiations.

Reference to my telegram No. 410, dated the 19th September.

I am confidentially informed by Colonel Beddoes that the treasurer-general is expecting a reply to his communication to me, and that in the event of a favourable reply not being shortly forthcoming he will ask the Medjliss, which rises at the end of October, for authority to enter into a contract with any group he selects for a loan on similar lines.

My informant adds that two other groups are in the field, but he refuses to disclose their nationality to me.

[37063]

No. 533.

Sir G. Barclay to Sir Edward Grey.—(Received September 21.)

(No. 419.)

(Telegraphic.) R.

Tehran, September 21, 1911.

MY telegram No. 402 of 16th September.

Yesterday the Russian Minister mentioned to Minister for Foreign Affairs that Shuster had written asking for good offices of the two Governments.

Minister for Foreign Affairs, in reply, asked him to consider Shuster's letter as a purely personal and private communication, as Persian Government could not recommend the loan to us without knowing its conditions.

[36857]

No. 534.

Sir Edward Grey to Sir G. Barclay.

(No. 270.)

(Telegraphic.) P.

Foreign Office, September 21, 1911.

I APPROVE attitude that you have taken up in regard to Fars affairs as reported in your telegram No. 411 of the 19th September.

[36265]

No. 534*.

Sir Edward Grey to Sir G. Barclay.

(No. 272.)

(Telegraphic.) P.

Foreign Office, September 21, 1911.

SELIGMAN loan: Question of southern customs.

Your telegram No. 384 of the 9th September.

I think objection you put forward regarding danger of foreign Government obtaining footing in the Gulf by means of purchase of bonds might be met by exclusion of southern customs. We cannot, of course, prevent foreign purchase of bonds, or overlook the risk of such foreign purchasers obtaining a majority, when once we have admitted principle of a large loan, but I do not see any means of obviating these possible eventualities.

Sir J. Jackson was actually speaking of the question of overdrafts, but he still raises several very well-founded objections to the alienation of southern customs surplus. He points out that even if loan is floated the Persian Government will continue to require overdrafts, and that if surplus of southern customs is absorbed bank would find it difficult to grant these. We have therefore told syndicate that surplus of southern customs must also be eliminated from their proposed list of securities. I hope that, considering the circumstances, Mr. Shuster will not think exclusion of southern customs unreasonable, and in any case it is a condition which we must maintain.

[36659]

No. 535.

Sir Edward Grey to Sir G. Barclay.

(No. 273.)

(Telegraphic.) P.

Foreign Office, September 21, 1911.

HAVE you any confirmation of report that Russian consular agent at Bandare Gez has arrested a Persian frontier official and sent him to Astrabad, and that several leading merchants have been seized and sent on board a Russian ship?

Persian Minister has protested on behalf of his Government, who appeal to us for assistance. They are asking Russian Minister for explanations.

[36668]

No. 536.

Sir Edward Grey to Mr. O'Beirne.

(No. 548.)

(Telegraphic.) P.

Foreign Office, September 21, 1911.

WITH reference to question of ex-Shah, which forms the subject of your telegram No. 221 of yesterday and that from Sir G. Barclay No. 409 of yesterday, you should enquire whether, if His Majesty again seeks asylum in Russia, Russian Government would be prepared to give Persian Government some assurance that, to prevent fresh attempt such as this, he will be kept under strict surveillance, or interned at some place at a safe distance from frontier.

[37067]

No. 537.

Sir G. Buchanan to Sir Edward Grey.—(Received September 22.)

(No. 269.)

Sir,

St. Petersburg, September 18, 1911.

IN continuation of my despatch No. 261 of the 9th September last, I have the honour to transmit herewith a copy of the reply which I have received from M. Pagenkopf, the representative of the Indo-European Telegraph Company, to the warning which I addressed to him by your instructions with regard to the extension of telegraph lines into Afghan territory.

I have, &c.

GEORGE W. BUCHANAN.

Enclosure in No. 537.

M. Pagenkopf to Sir G. Buchanan.

Sir,

September 18, 1911.

I BEG to acknowledge the receipt of your letter of the 9th instant, and, in reply, I am instructed to state that it is quite understood that my company will take no steps with regard to the Meshed-Herat line without previous consultation with the British Government.

The continuation of the Meshed line to Herat is, of course, only mentioned and embodied in our proposals, so as to make the scheme thoroughly comprehensive.

I am, &c.

L. PAGENKOPF.

[37200]

No. 538.

Sir G. Barclay to Sir Edward Grey.—(Received September 22.)

(No. 423.)

(Telegraphic.) Decode.

Tehran, September 22, 1911.

FOLLOWING received from acting consul at Shiraz :—

"Soulet has published notice that he has come to Shiraz to support Nizam to restore order and punish Arabs, declaring he will soon attack these, and if any householder through whose premises Kashgais wish to pass does not open doors to them, they will be forced, and householder would be responsible for ensuing trouble.

[1505]

4 Z

"I think now indubitable situation holds no alternative to Soulet's removal, and if that is not immediately effected, crisis can only become more acute.

"It is difficult to over-estimate immense damage which will result to our interests from general pillage of bazaars, since, apart from very large quantities of British goods accumulated here, we cannot lose sight of the fact that every loss suffered by local dealers reacts directly [?] on our own merchants, by whom they are almost entirely supplied, and with every day Kashgais remain such contingency becomes more imminent.

"Karguzar offers local troops for protection of British subjects, and this will have to be accepted as the only available guards; such starving vagabonds are, however, entirely useless, and will never resist tribesmen, even if they do not themselves set example looting.

"In my opinion, therefore, if Kashgais cannot immediately be withdrawn, it will be incumbent on us to take direct steps for protection of our interests, since while they continue here there is no possibility any Persian authority doing so effectually."

If I felt orders from Persian Government to Soulet to leave Shiraz would be obeyed, I should not hesitate to advise Persian Government in this sense. But he would certainly ignore them, and I am therefore still of opinion that we should let things take their course, except in so far as I may be authorised to convey threat to Soulet as suggested in last sentence of my telegram No. 413 of 19th September; to demand his dismissal would saddle us with disagreeable responsibility if the Persian Government comply, and I doubt whether it would relieve present crisis.

I ought to mention Ziegler told me four months ago, if my memory serves me right, that he had 40,000*l.* worth of goods accumulated Shiraz awaiting dispatch Ispahan.

[36863]

No. 539.

Sir Edward Grey to Sir G. Barclay.

(No. 275.)

(Telegraphic.) Code.

Foreign Office, September 22, 1911.

YOUR telegram No. 413 of 19th September: Shiraz.

Message which you have sent to Soulet through acting consul seems sufficient for present.

Communication proposed in last paragraph might involve us in an expedition.

[37225]

No. 540.

Sir G. Buchanan to Sir Edward Grey.—(Received September 23.)

(No. 225.)

(Telegraphic.) P.

St. Petersburg, September 22, 1911.

EX-SHAH. Your telegram No. 518 of the 21st September.

I was told to-day by M. Nératof that Mohammad Ali will not be allowed to take up his residence in any of the frontier provinces, should he succeed in escaping to Russian territory. He has a house at Odessa, and M. Nératof thinks he would probably return to that town. If he should do so, all proper precautions would be taken, and he would be kept under surveillance, but it was not possible for the Russian Government to give a guarantee that his recent attempt would never be renewed. The ex-Shah had been greatly disillusioned, for he had returned to Persia with the full conviction that he would be received everywhere with open arms. He had had his lesson, and M. Nératof said he felt sure that he would not renew the attempt.

On my asking M. Nératof whether he would be prepared to give assurances to the Persian Government in the sense of what he had said to me, his Excellency said that he would be quite willing to do so.

[37127]

No. 541.

Sir G. Barclay to Sir Edward Grey.—(Received September 23.)

(No. 420.)

(Telegraphic.) P.

Gulahek, September 22, 1911.

PERSIAN Transport Company's road.

Reference to my telegram No. 387 of the 10th September.

I am informed by Mr. Wilson that the state of anarchy again reigning in Luristan, and which, in consequence of Salar-ed-Dowleh's rebellion, has spread right up to Sultanabad, prevents the company's engineer from proceeding beyond that town.

[37224]

No. 542.

Sir G. Barclay to Sir Edward Grey.—(Received September 23.)

(No. 424.)

(Telegraphic.) P.

Gulahek, September 23, 1911.

I VENTURE to suggest, with reference to your telegram No. 272 of the 21st September, that it would be impolitic to allow the surplus of the southern customs to remain unattached. It would have seemed to me preferable that it should have been assigned to the Persian Railway Syndicate, which appears as safe a repository as it is possible to obtain.

Were we now to withhold it from Messrs. Seligman, or, *à fortiori*, were the Seligman loan to collapse, we should be confronted by the danger of someone else seeking to obtain it who might be more objectionable and less dependent on our moral support. It is possible that one of the other groups in the field may be American (please see my telegram No. 418 of the 21st September).

I shall not communicate with treasurer-general on this point until I learn that your decision is final.

With reference to St. Petersburg telegram No. 222 of the 20th September, I would point out that there can be no question of the entire Russian loan being paid off. The loan that it is proposed to redeem is that of the Banque nationale d'Escompte, which pays 7 per cent. interest and is redeemable in fifteen years. It would be folly to repay the Russian Government's loan with the proceeds of a 5 per cent. loan, which has to be issued at a figure considerably below par.

[37312]

No. 543.

Sir G. Barclay to Sir Edward Grey.—(Received September 23.)

(No. 425.)

(Telegraphic.) P.

Gulahek, September 23, 1911.

CONTRACT for importation of minting silver.

Reference to my telegram No. 416 dated the 21st September.

I am assured by Colonel Beddoes that his principals would be ready to undertake not to make use of the powers accruing to them by the terms of the proposed loan contract to interfere in the placing of this contract.

[37318]

No. 544.

Sir G. Barclay to Sir Edward Grey.—(Received September 23.)

(No. 426.)

(Telegraphic.) P.

Gulahek, September 23, 1911.

SELIGMAN loan negotiations.

In continuation of my telegram No. 425 of the 23rd September, I am disposed to think, after speaking with Colonel Beddoes, that when the time comes to discuss details it will be possible to reach some arrangement with regard to the eventual administration of revenues by Messrs. Seligman as provided for under article 6 of draft contract.

[37314]

No. 545.

Sir G. Barclay to Sir Edward Grey.—(Received September 23.)

(No. 427.)

(Telegraphic.) P.

Gulahek, September 23, 1911.

SELIGMAN loan negotiations.

In reply to your telegram No. 272 of the 21st September, I have the honour to state that I have informed Colonel Beddoes that I foresaw possible difficulties in the way of assigning to the Seligman loan the surplus of the southern customs as security.

Colonel Beddoes points out that the intrinsic value of the surplus is entirely dependent upon the restoration of order, and a large loan is absolutely necessary to enable Persian Government to re-establish its authority. I enquired whether his principals would withdraw from the field if the security of the southern customs were not obtainable. In reply, he stated that he was not in a position to make any statement on this point, but that a lien on the southern customs, although of no intrinsic value at present, would, as evidence of the support of His Majesty's Government, carry great weight. Money market would not fail to notice the absence of this security, and the value of the stock would be depressed if it were not assigned to the loan.

[37319]

No. 546.

Sir G. Barclay to Sir Edward Grey.—(Received September 23.)

(No. 428.)

(Telegraphic.) Decode.

Tehran, September 23, 1911.

MY telegram No. 356 of 25th August: Ex-Shah movement.

Naib Hussein is attacking Kashan.

[37320]

No. 547.

Sir G. Barclay to Sir Edward Grey.—(Received September 23.)

(No. 429.)

(Telegraphic.) Decode.

Tehran, September 23, 1911.

PORTION [of] Salar-ed-Dowleh's force is reported to have occupied Saveh and main body to be near Zarand, about 50 miles from Tehran.

[37321]

No. 548.

Sir G. Barclay to Sir Edward Grey.—(Received September 24.)

(No. 430.)

(Telegraphic.) P.

Gulahek, September 24, 1911.

SOUTHERN roads.

Reference to my telegram No. 401 of the 14th September.

In the event of His Majesty's Government deciding in favour of the proposed scheme, I venture to suggest that no time should be lost in making some announcement respecting our intention in Fars. Although it is possible that events in Shiraz might be precipitated by the knowledge of the approaching increase of escorts, I believe that it is more likely that our decision will produce the opposite result. The belief that we will stand anything is fostered by our forbearance in the face of the disorders in the town and on the trade routes, and I agree with Mr. Knox in thinking that if we were to make some announcement on the lines suggested above and show that we are determined to carry out our decision by dispatching the reinforcements without delay to Bushire, Shiraz, and Ispahan, Soulet might bethink himself and mend his ways.

[37322]

No. 549.

Sir G. Barclay to Sir Edward Grey.—(Received September 24.)

(No. 431.)

(Telegraphic.) R.

Tehran, September 24, 1911.

YOUR telegram No. 273.

Persian Government have made same complaint to me, and have addressed note to Russian Minister, who tells me that man in question and his retainers fired on and

robbed some Russian subjects. On application of Russian consul, the Asterabad authorities summoned offender to Asterabad for an enquiry. He declined to obey, though Russian consular agent at Bendergez tried to induce him to do so. Consular agent then, under orders from Russian consul at Asterabad, whose action has been entirely approved by his Government, arrested offender and his band, handing over former to Asterabad authorities and sending his band, who are by no means leading merchants, to Ashurada, to be kept there till enquiry is ready to be held.

Russian Minister, when informing me of the above, said that it was only the intervention of the Russian consular officers which maintained any kind of order in those districts, for there was no real Persian authority, and it was doubtful whether officer in question was on the side of the Government or of ex-Shah.

Russian Minister said that there had been many outrages on Russian subjects in the neighbourhood.

[37381]

No. 550.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 152.)

Sir,

Gulahek, August 20, 1911.

I HAVE the honour to acknowledge receipt of your despatch No. 86 of the 20th July respecting Messrs. Dixon's claims against the Persian Government.

These claims will not be lost sight of, and will be pressed when other British claims of a similar nature are pressed, but pressure on the Persian Government at this moment for the settlement of claims would serve no useful purpose.

It might perhaps be well to point out to Messrs. Dixon, as has already been done to Messrs. Roditi and Co., that the balance which remained from the recent loan, after paying off the Persian Government's debt to the Imperial Bank, was only some 400,000L., or far short of what is needed to settle the foreign claims against the Persian Government.

I have, &c.

G. BARCLAY.

[37382]

No. 551.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 153.)

Sir,

Gulahek, August 20, 1911.

WITH reference to my despatch No. 127 of the 27th ultimo, I have the honour to transmit herein copy of a despatch from His Majesty's consul at Kerman respecting the present condition of Persian Baluchistan, and the possible development of the arms traffic in that district.

I have, &c.

G. BARCLAY.

Enclosure in No. 551.

Consul Haig to Sir G. Barclay.

(No. 25.)

Sir,

Kerman, July 27, 1911.

I HAVE the honour of bringing to your notice, in continuation of my despatch No. 22 dated the 12th July, 1911, on the subject of the condition of Persian Baluchistan, a further occurrence likely to be extremely prejudicial to British interests, which illustrates the virtual independence of the province. The Afghan subject Mulla Kasim, entitled Kuvvat-ul-Islam, and also known as the Khalifa and Khalifa Khair, the notorious trader in arms, has recently acquired some land and formed a settlement at Kasimabad, in the neighbourhood of Bampur. It was originally reported that this land had been bestowed upon him by the Sardar-i-Nusrat, now acting governor of Kerman and Baluchistan, but the Sardar-i-Nusrat has denied this, and has informed me that the land was given to Mulla Kasim by local Baluchis, who esteem and respect him as a religious leader. This is probably true, but it is Mulla Kasim's establishment of himself at Bampur rather than the channel through which he acquired the

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land that is important. Ever since this man expressed a desire—in March last—to settle in Persian Baluchistan, I have been convinced that his sole object was the establishment of a depôt for the traffic in arms. My views have now been confirmed by a report that a caravan of Afghans, carrying a few rifles and engaged in purchasing more, is now enjoying Mulla Kasim's hospitality in Kasimabad, and is awaiting the arrival of a large party from Minab. From the fact that Mulla Kasim's presence at Kasimabad has attracted traders to that uninviting spot in the height of summer, the extent of the stimulus which it will give to the winter trade may be vaguely estimated.

It appears to be almost certain that Mulla Kasim's acquisition of land at Kasimabad is a breach of the Persian Naturalisation Act, which prohibits the acquisition of agricultural land by foreigners, but respect for Persian laws is not to be looked for in Baluchistan, and I have refrained from presenting this view of the case to the local authorities, lest, in their readiness to evade by any subterfuge an admission of their lack of authority in Baluchistan, they should surmount this difficulty by inducing Mulla Kasim to go through some form of getting himself naturalised as a Persian subject. The dispatch of a second expedition to Baluchistan in the autumn is now more than ever necessary, and, in the absence of a Governor-General, less than ever probable. It is not unlikely that Mulla Kasim's example may be followed by other Afghans, who, besides reinforcing their co-religionists of Baluchistan against the Persian Government, would so facilitate the transport of arms that His Majesty's Government might be constrained to send a strong expedition into what is nominally Persian territory.

I have, &c.
T. W. HAIG, *Lieutenant-Colonel.*

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No. 552.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 155.)

Gulahck, August 22, 1911.

Sir,

I HAVE the honour to acknowledge the receipt of your despatch No. 85 of the 19th ultimo respecting the proposal for the construction of a motor road from Bushire to Shiraz.

The proposal to survey the Firuzabad road with a view to examining the feasibility of the enterprise in question was brought to my notice in March last by His Majesty's consul-general at Bushire. I saw no objection to the proposal, but before recommending that the survey should be sanctioned I enquired of Colonel Cox as to the cost, and before I had the necessary particulars I learned that the Government of India were in favour of postponing the carrying out of the survey. Although Mr. Chick's memorandum, enclosed in Colonel Cox's despatch No. 4, Commercial, of the 6th March, which had reached me in the meantime, seemed to me to make out a good *prima facie* case for the construction of a motor road, I did not think it right that I should recommend the survey in the face of the opposition of the Government of India, with the exact grounds of whose objections I was not conversant.

I now see from your despatch under review that you, Sir, and the Secretary of State for India, after having had the objections of the Government of India under your consideration, are of opinion that the proposed survey would be desirable, and I have therefore telegraphed (see my telegram No. 347) that I saw no objection.

As stated in my telegram, I do not propose to say anything to the Persian Government about the survey, unless, of course, they approach me on the subject.

I have, &c.
G. BARCLAY.

[37385]

No. 553.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 157.)

Gulahck, August 25, 1911.

Sir,

I HAVE the honour to acknowledge receipt of your despatch No. 95 of the 1st instant, transmitting copies of correspondence between your department and the Anglo-Persian Oil Company respecting the Karguzar at Mohammerah.

During the past two months, various reports of the man's unsatisfactory character had reached me from His Majesty's consular officers at Bushire and Mohammerah, not only with regard to the Anglo-Persian Oil Company's work, but also respecting certain false reports furnished by him to the Central Government respecting British action in the Gulf. I am glad to be able to report, therefore, that the Persian Government recalled him some time ago, and that his successor, Ikram-ul-Mulk, whom I saw prior to his departure, did not impress me unfavourably.

I have, &c.
G. BARCLAY.

[37386]

No. 554.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 158.)

Gulahck, August 31, 1911.

Sir,

HAVING seen in a local paper, the "Isteklal Iran," a reference to a desire on the part of Germany to obtain a concession for a railway from Khanikin to Bunder Abbas, I thought it well, although I did not attach much importance to the story, to enquire of the Minister for Foreign Affairs whether the alleged German desire showed any signs of taking practical shape. His Excellency assured me that he knew nothing whatever of any such German designs.

I should mention also that some days before I made this enquiry of the Minister for Foreign Affairs his Excellency had volunteered to me the assurance that there was no truth whatever in the "Times" correspondent's telegram of the 8th instant to the effect that his Excellency had recently approached the German Minister with a view to the development of German interests in Persia.

I have, &c.
G. BARCLAY.

[37387]

No. 555.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 159.)

Gulahck, September 1, 1911.

Sir,

WITH reference to my despatch No. 140 of the 8th August, I have the honour to report that the Russian Minister has received no reply to his note demanding that the charges on the northern customs, as fixed by the Russian Bank's conversion agreement of the 31st December, 1910 (13th January, 1911), should be paid as heretofore through the instrumentality of M. Mornard. Nevertheless, M. Shuster since the 11th ultimo, when, as reported in my telegram No. 325 of the 12th ultimo, he first got into close touch with the Russian Minister and me, had shown every disposition to meet M. Poklewski's wishes in regard to the payment of the charges in question. M. Poklewski tells me that he is entirely satisfied with the present arrangements, which involve the payment of the customs administration expenses by M. Mornard and those of the Cossack Brigade by the Russian Bank. Moreover, I understand from M. Shuster and M. Mornard that each is now well satisfied with the other. The incident may therefore, I think, be considered closed.

I have seen it stated in some of the English papers that in this matter Russia has received German support as a consequence of the Russo-German rapprochement. I think this is giving too much importance to Count Quadt's action. It is true that at the same time that the Russian Minister demanded the maintenance of the *status quo* in the matter of the payment of the Russian charges on the northern customs Count Quadt made a similar demand in regard to the subventions for the German hospital and school, which have hitherto been paid by M. Mornard, but in this he did no more than his French and Italian colleagues, who also made similar demands in regard to the salaries of certain of their nationals, e.g., Dr. Georges and General Maletta, and I believe these demands in each case were prompted rather by a dislike of M. Shuster than the desire to support M. Poklewski. There was a good deal of pique in the diplomatic body at the manner in which M. Shuster had held aloof from the foreign legations, and the discourteous references to him contained in the notes of Count Quadt,

M. Montagna, and M. Lecomte, particularly in those of the two first named, fully warrant the inference that the motives which actuated them were mainly personal.

I have, &c.

G. BARCLAY.

[37389]

No. 556.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 161.)

Sir,

Gulahek, September 1, 1911.

IN my despatch No. 83 of the 3rd June last I reported the steps taken by the French chargé d'affaires with respect to the proposal of the Persian Government to engage French officials to serve in the Persian Ministries of the Interior and of Justice.

Though it was clearly understood that they were to be engaged as professors, successive Persian Foreign Ministers have done their best to frustrate M. du Halgouet's intention not to give Germany a pretext to insist on the engagement of Germans in other departments. On one occasion the Minister for Foreign Affairs declared in Parliament that two Frenchmen were being engaged as advisers to the Ministries of Interior and Justice, and that the French Government's objections had been overcome; while only a few days ago, after the arrival of the two Frenchmen, MM. Dumorguy and Perny, at a dinner given by the Turkish Ambassador, at which the German and French Ministers were guests, the Minister for Foreign Affairs continually referred to the two Frenchmen as advisers to the two Ministries. As so far there has been no sign of a move on the part of Germany, my Russian colleague and I are inclined to conclude that the signature of the recent convention between Germany and Russia may to some extent account for Germany's quiescence in this respect.

M. Dumorguy and M. Perny have not yet called upon me, but I hear good reports of both.

M. Dumorguy, a former sous-préfet, who is attached to the Ministry of the Interior, seems to be a man of culture and tact, and though he was engaged by the Persian Minister in Paris, and was immediately subjected to the influence of the ultra-Nationalists and their European friends, he does not seem as yet to have succumbed to their blandishments.

I have, &c.

G. BARCLAY.

[37390]

No. 557.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 162.)

Sir,

Gulahek, September 4, 1911.

IN continuation of my despatch No. 139 of the 5th ultimo regarding Mr. Shuster's desire to appoint Major Stokes to organise a Treasury gendarmerie, I have the honour to transmit—

1. A copy of the Persian Government's reply to the communication I made on the 2nd instant, in accordance with your instructions in telegram No. 221;
2. A copy of the *aide-mémoire* which I left with the Minister for Foreign Affairs on the 8th ultimo, as instructed in your telegram No. 226;
3. A copy of the Persian Government's reply;
4. A copy of a communication made by the Russian Minister on the 19th ultimo; and
5. A copy of a communication made by me on the same day in pursuance of the instructions contained in your telegram No. 242.

As the result of these two last-mentioned communications the Persian Government urged Mr. Shuster to give up the idea of the appointment of Major Stokes, but the matter has since taken a more favourable turn. As reported in my telegram No. 348 of the 21st ultimo, Mr. Shuster, who at his previous meeting with the Russian Minister, though he had not succeeded in inducing M. Poklewski to advise his Government to reconsider their attitude, had at least succeeded in removing to a certain extent M. Poklewski's distrust of him, visited M. Poklewski on the 20th ultimo and again

pressed him hard regarding the appointment of Major Stokes. He said that he was willing to undertake that Major Stokes should not be employed in the north except for organisation work in Tehran, and that after six months' employment in the capital he should be sent to Shiraz. Furthermore, he held out hope of arranging for a counter-balancing appointment of a Russian officer in the north. As an additional inducement to M. Poklewski to recommend this arrangement to his Government he offered to exclude from certain negotiations which he had opened with Lieutenant-Colonel Beddoes, Messrs. Seligman's representative now in Tehran, the conversion of the Russian Bank's loan and to negotiate this conversion with the Russian Government. Before making these proposals to M. Poklewski, Mr. Shuster had told both him and me that he was preparing a public statement setting forth his case for the appointment of Major Stokes. This statement he proposed to submit to us before making it public so that we might point out to him any inaccuracies of fact which we might find. Although when he told me of this it savoured in some degree of a threat, he must have toned it down when talking to M. Poklewski later, for otherwise I cannot think that M. Poklewski would have been as favourably impressed by his arguments as he undoubtedly was. Indeed, Mr. Shuster so far succeeded in impressing M. Poklewski with the acceptability of his proposals, that M. Poklewski promised to telegraph to his Government, and in his desire to reach any possible solution of a question which he felt must be embarrassing for His Majesty's Government, he submitted the proposals to his Government in a far from unsympathetic tone.

I may mention, moreover, incidentally, that M. Poklewski told me later that Count Beckendorff had also telegraphed from London supporting them.

The Russian Government's reply, though dispatched on the 23rd August, owing to an interruption in the telegraph line, only reached M. Poklewski on the 1st instant. M. Poklewski was instructed to furnish further particulars as to the Treasury gendarmerie, its numbers, and its scope, and he has now written to Mr. Shuster making the necessary inquiries.

When last I saw Mr. Shuster, he made it clear to me that he intended his Treasury gendarmerie to combine the functions of a national gendarmerie with that of the collection of taxes, but it will be well to have his views clearly defined in writing.

When my Russian colleague and I suggested to our Governments that the newly arrived Swedish officers should be employed for the Treasury gendarmerie, we had not lost sight of the fact that these officers had been engaged for the organisation of a national force, but I felt that the possibility of the concurrent organisation of two such forces in the present state of the Persian Treasury was so problematical, that it would do no harm to abandon one of them, and to concentrate on the other, which not only enjoyed the advantage of being Mr. Shuster's scheme, and therefore offered a good prospect of prompt realisation, but also seemed to offer a fair alternative for the appointment of Major Stokes. The Swedish officers were on the spot, and were therefore immediately available, but it has since become plain that their ignorance of the Persian language and of Persian conditions, must disqualify them for some time at least from effective work, and they would therefore prove but a poor substitute for Major Stokes. Mr. Shuster told me that he did not intend to take the initiative in merging their work with that of the Treasury gendarmerie, but he felt confident that if he could obtain the services of Major Stokes, and go ahead with the organisation of his force, the Swedes would realise the advantage of combining with Major Stokes, and would co-operate in the formation of one force which would serve for the maintenance of order as well as for the collection of taxes. The difficulty of combining two forces under different Ministries—the Ministry of Finance and the Ministry of Interior, from which the Swedes depend—may be considerable, but should not prove insuperable with a Gilbertian Government like that of Persia.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 557.

Note by Persian Government.

LE nord et le sud de la Perse ont également besoin qu'on y perçoive les impôts, et aux yeux du Gouvernement persan il n'y a aucune distinction à faire entre ces deux régions.

En ce qui concerne les services que le Gouvernement persan attend du Major [1505]

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Stokes, cet officier démissionnaire de l'armée britannique ayant été engagé pour organiser la gendarmerie de la Trésorerie, le Gouvernement Impérial n'a pas l'intention de l'employer dans aucune opération de guerre.

Le 6 août, 1911.

Enclosure 2 in No. 557.

Aide-mémoire communicated to Persian Government by Sir G. Barclay.

SIR G. BARCLAY is instructed by His Majesty's Principal Secretary of State for Foreign Affairs to warn the Persian Government that they ought not to persist in the appointment of Major Stokes unless he is not to be employed in Northern Persia. If the Persian Government do persist, His Majesty's Government will recognise Russia's right to take such steps as she thinks are necessary in order that her interests in Northern Persia may be safeguarded.

August 6, 1911.

Enclosure 3 in No. 557.

Note verbale by Persian Government.

IL ressort de l'aide-mémoire de la Légation de Sa Majesté britannique, en date du 8 courant, que dans le cas où le Gouvernement persan persistait à engager le Major Stokes à son service et à l'employer dans toutes les régions de la Perse indistinctement, il se heurterait à certains inconvénients.

Le Gouvernement Impérial, n'étant pas à même de s'expliquer sur quelle base reposerait cette manière de voir du Gouvernement anglais, qui ne découle d'aucun engagement, ne peut s'empêcher d'exprimer la surprise que lui a causé l'aide-mémoire précité.

Supposant même qu'en élevant certaines objections la Légation de Sa Majesté britannique voulait s'appuyer sur les termes de l'arrangement anglo-russe du 31 août, 1907 (au sujet duquel le Gouvernement persan n'a pas manqué de signaler son attitude dans la note de son Excellence Muchir-ed-Dowleh en date du 25 Ramazan, 1325), on ne pourrait trouver dans ladite convention un seul mot de nature à soutenir la thèse formulée par l'aide-mémoire susmentionné.

Au contraire, le préambule de cet arrangement, qui respecte, dans les termes les plus catégoriques, l'indépendance et l'intégrité de la Perse, constituerait un argument de plus pour prouver le point de vue du Gouvernement Impérial.

Ce même préambule constate, en outre, que les Gouvernements anglais et russe ont eu principalement à cœur la préservation de l'ordre et le développement pacifique de la Perse; cette phrase ne pourrait être interprétée que de manière à favoriser le but du Gouvernement Impérial, qui désire prendre les dispositions propres à faire rentrer les impôts, sans lesquels le maintien de l'ordre, dans tout pays, serait une tâche des plus difficiles.

Vossough-ed-Dowleh est donc persuadé que le Gouvernement de Sa Majesté britannique, reconnaissant le bien-fondé des arguments précités, voudra bien prêter au Gouvernement persan ses bons offices à l'effet de donner à cette question une solution conforme à la dignité de la Perse et à son intérêt le plus vital.

Le 11 août, 1911.

Enclosure 4 in No. 557.

Note communicated to Persian Minister for Foreign Affairs by Russian Minister.

ME référant à la déclaration faite par moi au Ministre des Affaires Étrangères le 16 (29) juillet, année courante, j'ai l'honneur, d'ordre de mon Gouvernement, de porter à la connaissance du Gouvernement persan que le Gouvernement Impérial de Russie, pour des raisons expliquées en son temps au Gouvernement persan, considère l'engagement par ce dernier du Major Stokes comme chef des forces armées—dites gendarmerie—pour la perception des impôts comme incompatible avec ses intérêts, et je

suis chargé de protester contre cette nomination. Le cas échéant, le Gouvernement Impérial se réserverait de pourvoir lui-même aux mesures qu'il jugerait nécessaires pour la sauvegarde de ses intérêts dans le Nord de la Perse.

Le 6 (19) août, 1911.

Enclosure 5 in No. 557.

Note communicated to the Persian Government by Sir G. Barclay.

HIS Britannic Majesty's Legation is instructed by His Majesty's Government to repeat the warning given on the 8th instant, to the effect that unless Major Stokes is not to be employed in Northern Persia, the Persian Government ought not to persist in the appointment, and if they do persist His Majesty's Government will recognise the right of Russia to take what steps she thinks necessary to safeguard her interests in Northern Persia.

In reminding the Persian Government of the above communication, His Majesty's Legation is to urge on the Persian Government the appointment of some subject of a minor Power in the place of Major Stokes, and to state that His Majesty's Government cannot accept Major Stokes's resignation in view of the well-founded Russian objections to his appointment.

August 19, 1911.

[37391]

No. 558.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 163.)

Sir,

Gulahek, September 4, 1911.

I HAVE the honour to transmit herewith the usual monthly summary of events in Persia for the past four weeks.

I have, &c.

G. BARCLAY.

Enclosure in No. 558.

Monthly Summary of Events in Persia for Period August 10 to September 4.

Tehran.

European Officials.—During the past four weeks the following officials have arrived at Tehran:—

Colonel Hjalmarson, Major Skjoldebrand, Major Petersen, Swedish gendarmerie officers.

M. Dumorgny, attached to the Ministry of the Interior.

M. Perny, attached to the Ministry of Justice.

Mr. Merrill (United States) attached to Mr. Shuster.

M. Brivet (France), Mr. Shuster's private secretary.

Military Operations.—The Government force, which left Tehran at the beginning of August under Sardar Mohy, and was joined by Muin-i-Homayun Bakhtiari and about 300 of his men, defeated Rashid-es-Sultan near Firuzkuh on or about the 9th August. Sardar Arshad, one of Mohammed Ali's lieutenants, proceeded with a force, estimated at between 2,000 and 3,000 men, along the Meshed road from Shahrud to Damghan, Semnan, and Aradan. A force of Bakhtiari, under Zaigham-es-Sultaneh, opposed his advance at the latter place, and was defeated on or about the 25th August. Amir-i-Mujahid Bakhtiari was sent to the front soon afterwards with reinforcements. Sardar Mohtashem and Sardar Behadur arrived at Tehran from the Bakhtiari country on the 31st August with about 1,200 men. The latter left with Yeprem and a large force on the 3rd instant to operate against Sardar Arshad. On the 26th ultimo the Government troops at Firuzkuh defeated a royalist force and captured a number of

prisoners, fifty-four of whom have since been sent to Tehran. Some horses and rifles were taken at the same time.

The Medjliss.—The Cabinet's programme, which included the revision of the constitution and improved foreign relations, was submitted for inclusion in the order of the day at the sitting of the 26th August. On a division the motion was rejected, but it was decided to refer the programme to a select committee. This action on the part of the Medjliss nearly caused the fall of Semsan-es-Sultaneh's Cabinet. The Foreign Minister and the Minister of the Interior actually tendered their resignations. The Regent, however, intervened, with the result that on the 2nd instant the programme was approved by the majority with a few unimportant modifications. At the sitting of the 25th August the House voted for the engagement of another French doctor, at a salary of 15,000 fr. per annum, to replace Dr. Georges (see Sir G. Barclay's despatch No. 7, Commercial, of the 13th April, 1911). At the same time the House voted for the renewal of the contract of the French professor of chemistry at a salary of 15,000 fr. per annum. The House was chiefly occupied with the new electoral law.

The Press.—The "Iran-i-Nau" is again suppressed, and the "Isteklal-i-Iran" has ceased to appear owing to want of funds. The only important paper now appearing is the "Medjliss."

Tabreez.

Samad Khan, Shuja-ed-Dowleh, Governor of Maragha, mentioned in the summary of June, has announced that he has been appointed Governor of Azerbaijan by the ex-Shah.

Ain-ed-Dowleh, the new governor appointed by the Government, is still at Tehran making preparations for his departure.

The province seems to be in a normal condition.

Resht.

Sardar Motamid, a native landowner of Resht, succeeded Yemin-ul-Mamalek as Governor of Ghilan at the beginning of August, but declared soon after that he was unable to carry on.

Though there have been rumours of the arrival of Shoa-es-Sultaneh and others in the interest of the ex-Shah, so far there has been no move of the kind, and the province remains comparatively quiet.

Kazvin.

Sardar Hodayun, another Resht landowner, has resigned the governorship of Kazvin and returned to Resht.

Meshed.

The disturbances which occurred at Meshed at the end of July, as reported in last summary, were brought about by the police attempting to capture an official of the shrine who was accused of embezzlement. Major Sykes writes that, having made enquiries from every quarter, he hears that his colleague (Prince Dabija) supported the rising until he received a telegram from his legation to the effect that he should stop. He adds that if the rioters had gained the upper hand there is no doubt that they would have declared for the ex-Shah. Major Sykes thinks that the large majority of people are so tired of the tyranny of the Young Persians that they will welcome the ex-Shah should he regain the throne.

On the 25th July telegrams were received from the ex-Shah by various officials at Meshed. Their purport was to express grief for Persia's troubles, to promise pardon for past offences, to declare that all future hostility would be punished with severity, to maintain the constitution, and to create an Upper House.

The high roads in Khorassan are reported infested by robbers.

Ispahan.

The condition of Ispahan, where Sardar Ashja Bakhtiari is governor, is unchanged. The town and province have been fairly quiet, though there have been some complaints of Bakhtiari excesses. On the 16th August Sardar Mohtashem and Sardar Bahadur arrived with over 1,000 Bakhtiaris on their way to Tehran. They exchanged visits

with His Majesty's consul-general. On their way to Tehran news was received of Naib Hussein's advance on Kashan, and the two sardars sent back from Kum about 250 Bakhtiaris under Zia-es-Sultan and Shahab-es-Sultaneh. On the 22nd August Naib Hussein captured Ardistan and advanced towards Kashan. On the 1st and 2nd September Naib Hussein was attacked by a Bakhtiari force at Khalidabad and later at Khafir (on the carriage road via Natanz between Kashan and Ispahan) and defeated, forty of his men being killed. The Bakhtiaris did not pursue the retreating enemy, as they were apparently too busy dealing with the large quantity of loot he had left behind.

Yezd.

There have been several robberies in the province lately. On the 23rd August seventy pilgrims were robbed of all their belongings by eighteen mounted robbers at Gudar Jogand. Shortly afterwards Mr. Fenn, of the Telegraph Department, was waylaid and robbed in the direction of Ardekan. Mr. Fenn was searched by the robbers, who even struck him with the butts of their rifles. His Majesty's Minister has addressed the Persian Government on the subject. Three hundred and fifty Baharlus and Ainalus raided and plundered villages in the Rafsinjan district towards the end of August, carrying away property estimated at 50,000 tomans.

Shiraz.

At the beginning of August telegrams were received in Shiraz which made it clear to the Nizam-es-Sultaneh that he was about to be dismissed. His attitude, however, became so defiant that the Government thought better of it, and he was allowed to retain his post. He called on His Majesty's acting consul on the 7th August, and spoke of his allies of the "League of the South" (i.e., the Sheikh of Mohammerah, the Vali of Pusht-i-Kub, Sowlet-ed-Dowleh, and the Bakhtiari of the Hajji Ilkhani branch) and their determination either to opt for the ex-Shah or preferably to make a separate State of the south of Persia. Sowlet-ed-Dowleh at the same time announced his intention of proceeding at once to Shiraz, though by the end of the month he had only reached Beza, some 25 miles north of the city.

The situation in Shiraz on the 21st August became very much worse though there had been continued negotiations for peace. The Kashgais, of whom there were a considerable number in the town, pillaged the houses and openly took the loot to the Palace square. A large cordon of Kashgais was drawn round the British consulate and firing went on at night. The surrounding district was more disturbed than ever and the peasants were being robbed unmercifully. The road to Ispahan was closed and though the Bushire road was open merchants had not sufficient confidence to send their goods over it and trade was at a complete standstill. Towards the end of the month further attempts were being made to bring about a truce between the Sowlet and the Kavam who still remained at His Majesty's consulate.

Seistan.

All is quiet in the Kainat, but in Seistan the governor, Heshmet-ul-Mulk, was displaying considerable military activity at the beginning of August though his objective was not known. His Majesty's consul reports that the roads all round Seistan were unsafe at the beginning of August.

Kerman.

Prince Amir Azam, the newly appointed governor, left Tehran for his post on the 12th August. The province and town are reported quiet, though the roads are as usual unsafe.

Kermanshah.

Prince Salar-ed-Dowleh left Kermanshah on his way to Hamadan on the 23rd August accompanied by Daoud Khan, Sardar-i-Muzaffar, the head of the Kalhur tribe. The mixed force of Kalhur and other Kurdish tribesmen accompanying the Prince are said to number about 10,000 men. The Prince appointed his younger brother, Azad-es-Sultan, Governor of Kermanshah with Mohtashem-ed-Dowleh as his vice-governor, and confirmed Ferid-ul-Mulk as Karguzar or Foreign Office agent.

Luristan and Irak.

Amir Mufakham Bakhtiari who has been in Luristan for some months and succeeded in restoring tolerable order there, was ordered to proceed with the Bakhtiari force under him against Salar-ed-Dowleh. He is said to have 2,000 men and reinforcements were sent from the Bakhtiari country under Morteza Kuli Khan, Samsam-es-Sultaneh's son, and Sardar Zaffar who left Tehran at the beginning of August for Sultanabad the capital of Irak. Some doubt is felt as to the loyalty of Amir Mufakham and Sardar Zaffar. The former is said to have reached Malayir, but precise information is not available at present as to his movements.

Bushire.

The governor, Muvakar-ed-Dowleh, has abolished the post of kalantar which brought in an annual income of 15,000 tomans to the governors of Bushire. He stated that this item was not included in the schedule of Government taxes and that he did not consider it right that he should pocket unauthorised and illegal exactions of the kind.

Bunder Abbas.

A large raiding force of Baharlu tribesmen, said to have with them two captured field guns, reached Bunder Abbas district at the end of August and were reported to intend raiding the town. His Majesty's ship "Perseus" was ordered to the spot and was expected to arrive on the 31st August and to reinforce the consular guard by thirty men for the protection in case of need of British and foreign lives and property.

Lingah.

The Turkish consular agent has been issuing certificates of Turkish naturalisation and nationality in a perfectly reckless manner at Lingah. The matter has been the subject of correspondence between His Majesty's Minister and the Turkish Ambassador and has also been brought to the notice of the Porte.

Mohammerah.

The sheikh has telegraphed to Tehran protesting his warm allegiance to the constitution. He received a telegram, probably after the dispatch of the above message to Tehran, from Nizam-es-Sultaneh who urged him to throw in his lot with the "League of the South" against the present Premier Samsam es-Sultaneh.

The sheikh has lately sent an expedition to Shuster much to the annoyance of Samsam-es-Sultaneh who has complained to His Majesty's Minister of the sheikh's interference in districts not under his jurisdiction though it is well known that Samsam-es-Sultaneh's predecessor in office invited the sheikh to restore order in that part of Arabistan.

Pusht-i-Kuh.

The following details are reported regarding the manner in which Amanullah Khan (Fath-es-Sultan) established himself as Vali of Pusht-i-Kuh and made a prisoner of his father Gholam Reza Khan (Amir-i-Jang). It appears that Gholam Reza Khan was out shooting with about twenty horsemen near Deh Bala when Amanullah, learning of his small escort, set out to meet his father who was returning from his shooting expedition. On meeting him, Amanullah Khan dismounted, kissed his hand as a sign of respect and told him that he had decided to undertake the Government of Pusht-i-Kuh for one year. He informed his father that he had arranged for his residence in a fort where he would have everything that he desired. Amanullah then conducted his father to a fort and posted a guard of fifty men round it to prevent his escape.

C. P. CHURCHILL.

[37392]

No. 559.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 164.)
Sir.

Gulahek, September 4, 1911.

SINCE my despatch No. 142 of the 9th ultimo there has been no development in the present struggle of anything like a decisive character. Amongst the many reported engagements between the Government forces and the rebels, I have confined myself to telegraphing regarding those which were fairly authenticated; they may be recapitulated as follows:—

The victory of the Government troops at Firuzkuh on or about the 9th ultimo, which cost the ex-Shah's force the life of one of his most prominent supporters, Reshid-es-Sultan, who, it will be remembered, assisted Amir Mukarram in his revolt in Mazanderan last year.

The conflict a few days later at Deh Namah, just off the Meshed road, between Arshad-ed-Dowleh's force and some Bakhtiari under Zeigham-es-Sultaneh, resulting in the defeat of the latter and the entry of Arshad-ed-Dowleh's men into Aradan.

The victory at Firuzkuh on the 22nd ultimo of Sardar Muhiy's troops combined with a force of Bakhtiari under Muin-i-Humayun, who beat off an attack of Turcomans and others, inflicting severe loss and capturing 54 prisoners, 300 rifles, and 100 horses.

The further success last week of a force of 300 organised by Yeprim and composed mostly of Armenians, who inflicted a severe defeat at Baladah in Mazanderan on a force of the ex-Shah, said to have numbered 1,500 men.

The present position seems to be as follows:—

The ex-Shah is in the district of Savad Kuh, but his advance from this quarter on the capital is blocked by Sardar Muhiy and Muin-i-Humayun Bakhtiari at Firuzkuh. His Majesty himself is said to have been located in a hill fortress, by name Div-i-Safid.

Arshad-ed-Dowleh's force, which had been advancing along the Meshed road, is now reported to be a little off the road west of Aradan, and not more than 45 miles from Tehran. After Zeigham-es-Sultaneh's defeat, Amir Mujahid, Sardar Assad's brother, was sent in command of some Bakhtiari to attack Arshad-ed-Dowleh, but he has now telegraphed that he is not strong enough, Arshad-ed-Dowleh's force numbering 3,000 men, and his own not being more than 1,000 strong. Sardar Behadur, Sardar Assad's son, in whom, together with Yeprim, the hopes of the constitutionalists chiefly centre, and whose arrival from Bakhtiari country has been impatiently awaited, has now reached Tehran with a following of 1,200 Bakhtiari, and they are to start at once with Yeprim to reinforce Zeigham-es-Sultaneh and deal with Arshad-ed-Dowleh.

The Armenian force in Mazanderan, after its success at Baladeh last week, has entered Amul, and, it is hoped, will be able to take the ex-Shah in the Savad Kuh district in the rear.

I have little news from Azerbaijan, where Shuja-ed-Dowleh, Governor of Maragha, is reported to have collected a considerable force of Shahsevans and Karadaghis to fight for Mohammed Ali, who has appointed him governor of the province.

In the west, Salar-ed-Dowleh left Kermanshah on the 23rd ultimo with nine guns and 10,000 men, mostly Kurds, of the Jaff, Kalhor, and Sinjahi tribes. Before leaving he appointed his brother, Azad-es-Sultan, Governor of Kermanshah. He also before leaving sent from Kermanshah a telegram to the Medjliss, of which, as it is of some interest, I forward a translation. He is now reported to be in the neighbourhood of Dauletabad, where he should be within striking distance of Amir Mufakham, who has at last moved out of Burujird, but whether the latter intends to oppose Salar-ed-Dowleh or not is still in doubt. It was thought when Salar-ed-Dowleh left Kermanshah that he was going to Hamadan, which is already in the hands of his adherents. He has, however, turned southwards. The Government are apparently relying on Amir Mufakham to deal with him. Should he fail them, there is now only a force of 500 Bakhtiari under Sardar Zaffar at Sultanabad between Salar-ed-Dowleh and the capital, but it is hard to believe that his force of nomad tribesmen will hold together should he decide to march on the capital.

At the moment of writing I learn that my Russian colleague has received a report

from his consul at Kermanshah to the effect that since Amir Mufakham's departure from Burujird the Lurs have declared for Salar-ed-Dowleh, who has appointed the great Lur chieftain, Sardar-i-Akram, his own father-in-law, Governor of Luristan.

I have, &c.

G. BARCLAY.

Enclosure in No. 559.

Salar-ed-Dowleh to Medjliss.

(Translation.)

To the Honourable Medjliss,

FROM Kurdistan I telegraphed to you, but you have sent no reply. In place of understanding that telegram and examining the state of the country and curing the diseases you have caused, you made plans to assassinate me and gave bribes to kill me. I myself have come to this country to be killed, and you do not understand that honest God-fearing Persians will not forget the 150 years of the Kajar's kindness, and especially in regard to the sons of the late Muzaffar-ed-Din Shah; they will have no evil intentions therefore. The Persians are my brothers and the children of the Shah, who is the shadow and the elect of God, and we will not act against each other, I think. This permission (to kill me) you have given to those of your own kind; it does not matter; the prayers of 15,000,000 Persians were and are our protection. Would my death cure the ills of the country? Your duty as God-fearing people is to put aside personal quarrels and seeking your own interests and devise something for the benefit of the country and its unfortunate subjects. As in the first Medjliss, they did not attend to the wishes and advice of Mohammed Ali Shah; the deputies of that time acted in their own interests and were caught in difficulties, and for two years all Persia was in trouble, and many killed and houses destroyed, till finally Mohammed Ali Shah abdicated. After his abdication it was thought that all defects would be removed; but to-day not only Europe, Asia, and America are witness, perhaps even the African savages will not deny, that affairs are a hundred times worse than before. Now I write directly; some Bakhtiari sowars and some Tehran riff-raff will not restore order in Persia. For the last three months some 2,000 Bakhtiari sowars have failed to reduce a section of the Bairanawand tribe, and finally have fled to Burujird. Further, the Bakhtiari themselves know that if they took Tehran it was because we were all discontented with Mohammed Ali Shah; otherwise Persia would not have accepted such a thing.

Gentlemen deputies, by God, you are responsible and will be for bloodshed. At the end what will be the result? In these days Mohammed Ali Shah will arrive in Tehran. I too, believe it or not, will come with 30,000 men all the way from the gates of Kermanshah to Noharan; troops are on the march. In Azerbaijan the Shahsevan, and in Garrus Shuja-ed-Dowleh with 3,000 sowars and as many foot; it has been ordered that they go to Tehran via Zinjan. Consider up to Tehran what destruction this crowd and sowars will cause, and what will happen to the people. Grieve for the state of the people, whom you sacrifice to your interests, which, by God, will not profit you. Do not listen to the nonsense of the evil disposed; plan how to extricate Persia from this state of ruin; let the country have one Shah, one Medjliss, and a sound organisation. Your conduct has no profit; affairs grow worse day by day till ten days; if this last it will come to an end. The Lord of the country will come to his throne, and will give a proper organisation to the State and the Medjliss. It is good if this should happen through yourselves. This force, which for ten days is on the march, till now were in their own homes; that good or bad is past. I have not got Persia or customs or bank to continually pay expenses. The expenses of this army will fall on the people. Why are you willing that these poor people should suffer? If you wish, come to the telegraph office, and I will come and talk to you, and then with 1,000 or 2,000 sowars I will go to Mohammed Ali Shah and arrange matters satisfactorily. The Shah has sworn to show paternal kindness to all Persians; after he comes to the capital he will carry this out. If you do not reply you do not accept me; you think you send some one to kill me or appoint Shuja-es-Sultaneh or Sardar Muhi to fight. God knows this is only your play and the ruin of Persia, because you fight against the designs of God. What I write is with my whole heart; if you put aside enmity all of you will acknowledge the justice of what I say.

Therefore I send this telegram to try you, and have sent a copy to the consuls at Kermanshah; if no reply received by this afternoon I march to-morrow morning. Now

the choice is with you. My wish is that the newspapers of the world should see this telegram, and know that I am not a cause of bloodshed, but that you are. I have also sent a copy to the Mullahs of Kerbela.

SALAR-ED-DOWLEH KAJAR.

[37393]

No. 560.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 165.)

Sir,

Gulahek, September 4, 1911.

WITH reference to my telegram No. 348 of the 21st August, I have the honour to transmit herein a copy received from Colonel Beddoes of a draft contract between the Persian Government and Messrs. Seligman Brothers for a loan of 4,000,000L. for the purpose of paying off the consolidated debt to the Russian Bank, and for the financing of other disbursements considered urgently necessary by the Persian Government, including reproductive public works, such as irrigation, the development of commerce and agriculture, the improvement of the trade routes, and the establishment of effectual financial control in the capital and the provinces.

I have, &c.

G. BARCLAY.

Enclosure in No. 560.

Draft Contract.

CONTRACT made the _____ day of _____, 1911, between the Imperial Government of Persia on the one hand and Messrs. Seligman Brothers, of 18, Austin Friars, in the City of London, hereinafter called the contractors, of the other part.

WHEREAS the Imperial Government of Persia are desirous of issuing a loan, to the amount of 4,000,000L., for the purpose of paying off the consolidated debt due to the Banque d'Escompte de Perse amounting to 60,000,000 krans, equal at _____ to _____ L., and running at _____ per cent. interest per annum, and for the financing of other disbursements considered urgently necessary by the Imperial Government of Persia, including reproductive public works such as irrigation, the development of commerce and agriculture, the improvement of the trade routes, and the establishment of effectual financial control both at Tehran and in the provinces.

It is therefore agreed between the Imperial Government of Persia and the contractors as follows:—

1. The Imperial Government of Persia agrees to pay to the contractors 7l. 10s. for every 100l. of the said loan, this amount to cover all charges of every description made by the contractors on account of expenses incurred in bringing out and financing the issue of this loan, and being retained by the bankers out of the proceeds of the bonds sold.

2. The contractors agree to issue the loan at the time and price which may be fixed by the Treasurer-General of Persia, with the consent of the Medjliss first given; but if the price fixed shall be deemed inadvisable by the contractors, they shall have the right to retire.

3. The contractors shall retain out of the purchase price of the bonds a sum representing interest and amortisation charge for six months, which sum shall remain intact in their hands during the life of the loan, and on which the contractors agree to pay the Imperial Government of Persia an annual interest of 3 per cent., payable in sterling in London.

4. The purchase money to be held by the contractors for account of the Persian Government until withdrawn by the Government by means of drafts at ninety days sight.

5. The Imperial Government of Persia shall deliver to the contractors bonds of such designation and currency denominations as the contractors may desire, to the total amount of _____ L., and [or] _____ fr., and [or] _____ dollars, and [or] _____ roubles, and [or] _____ H. florins, the charge for such bonds to be borne by the contractors.

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6. The bonds to carry interest at the rate of 5 per cent. per annum, which the Imperial Government of Persia will pay in London in sterling, and to be framed in the usual form of Government bonds. The loan to be redeemable at par by means of an accumulative sinking fund of 1 per cent. per annum, commencing three years after the date of the loan contract, and extending over a period not exceeding thirty-seven years. The drawings will take place in London at the contractors offices in _____ of each year, and the drawn bonds will be paid off at par on the _____ day of the month following, after which date the interest on the bonds so drawn will cease.

7. The Imperial Government of Persia binds itself to observe and perform all the provisions contained in the said bonds as to the payments of the loan and the interest thereon and otherwise.

8. The Imperial Government of Persia has the right to redeem the whole loan at par at any time after the year 1925 after giving six months' notice.

9. The Imperial Government of Persia specifically assigns to the service of this loan the full receipts now or hereafter to be received from the revenues and receipts detailed in this paragraph under the sub-heads (a), (b), (c), (d), and (e), less the actual cost of collection.

(a.) The passports, both internal and external.

(b.) The Crown lands in the departments of Azerbaijan and Tehran.

(c.) The malat in the departments of Azerbaijan and Tehran.

(d.) The malat and the Crown lands in the remaining departments, it being understood that, with the exception of the departments of Azerbaijan and Tehran, the receipts of the malat and the Crown lands are not separated.

(e.) The receipts from the mint. The Imperial Government of Persia guarantees that this shall include all amounts made by it upon currency minted either within or without the Empire of Persia.

10. The Imperial Government of Persia further specifically assigns to the service of this loan, and as a first charge thereon (subject only to prior charges thereon amounting to _____ l. per annum, and made up as follows: (1) _____, (2) _____, (3) _____, (4) _____, (5) _____, (6) _____, (7) _____).

(a.) The full net customs receipts of every description which the Government now is, or at any time hereafter may be, entitled to collect and receive at all ports and places in the Empire of Persia with the exception of the Gulf ports—Bushire, Bunder Abbas, Lingah, Mohammerah, and Ahwaz.

(b.) The full net customs receipts of every description which the Government now is, or at any time hereafter may be, entitled to collect and receive at the Gulf ports, including Bushire, Bunder Abbas, Lingah, Mohammerah, and Ahwaz after the present charges are paid, which amount now to _____ l. per annum, and which are made up as follows: (1) _____, (2) _____, (3) _____, (4) _____, (5) _____, (6) _____, (7) _____, and will in the year 1917 be increased by 17,000l. per annum, and in 19 _____ by _____.

11. If the revenues and receipts from the above-mentioned sources shall at any time fall short of the amount required for the service of the loan, the Imperial Government of Persia hereby agrees it will make good such deficiency from other Government revenues.

12. If at any future date the arrangements under which the Imperial Government of Persia covenants to pay certain revenues and receipts to the Banque d'Escompte de Perse and the Imperial Bank of Persia should in the case of either or both banks be abrogated or terminated, then the Imperial Government of Persia hereby agrees that during the continuance of this loan the revenues and receipts so liberated are to be paid weekly for account of the service of this loan to such agents in the Persian Empire as the contractors may nominate.

13. The full net revenues and receipts detailed in paragraphs 9 and 10 shall be kept with such bank, banks, institutions, company, person, or persons as the Treasurer-General and the contractors shall agree.

Such full net revenues and receipts, less the deductions mentioned in paragraphs 9 and 10, shall be brought into one account in the office of the Treasurer-General, which account shall be debited monthly with one-twelfth of the amount necessary to defray the annual charge for the interest and amortisation of this loan (but all such receipts shall be transferred to the contractors until there is an amount in their hands sufficient to defray the proportion due for the next six months).

For such sums the contractors will give interest at the published rate of the Bank of England, less 1½ per cent., but the said rate is never to be less than _____ per cent. from the date of receipt to the date when the coupon or amortisation is due.

The Imperial Government of Persia absolutely and unconditionally guarantees that if for any cause whatever, including *force majeure*, those banks or persons with whom the revenues and receipts have been deposited should fail to transfer the full amounts to the Treasurer-General, or the Treasurer-General should fail to transfer the full amounts as due to the contractors, then the Imperial Government of Persia will make up such deficiency at once, and will not in any way draw on such revenues and receipts until the deficiency has been made good.

The Imperial Government of Persia further undertakes not to draw upon the said revenues in any way whatsoever until the due amount has been transferred to London, nor to in any way anticipate such revenues and receipts. Further, the Imperial Government of Persia guarantees that the accounts mentioned in this paragraph shall be under the sole control of the Treasurer-General.

14. Should at any future date the monthly payments for three months be insufficient to meet the interest and amortisation charges for the period, then the contractors are to have the right to take over the administration of all or any of the revenues and receipts detailed in paragraph 9, and deduct from such revenues and receipts the amounts due for the interest and amortisation of this loan and all charges incurred for the collection; the surplus to be held at the disposal of the Imperial Government of Persia. Further, the contractors shall have the right to take over all such revenues and receipts mentioned in paragraph 10 which may then or thereafter be free.

15. During the continuance of this loan, or for such less period as the contractors may desire, the contractors shall be the sole agents and representatives in England with respect to this loan and all matters connected with it, but undertake no pecuniary liability.

16. For the expenses of disbursing the coupons and paying bonds annually drawn or called for redemption in the event of earlier redemption, the Imperial Government of Persia shall pay the contractors at the rate of one-half of the amounts so disbursed or paid.

17. At the request of the Imperial Government of Persia, the contractors may at any date liberate such of the securities as they see fit.

18. The bonds and coupons of this loan are for ever exempt from all or any Persian tax or deduction, and the interest and capital will not at any time be liable to any diminution from the Imperial Persian Government.

19. In case of any divergence between the readings of the Persian and English versions of this contract, the English text is to be taken as conclusive.

20. This contract is to be signed at Tehran by the Persian Minister of Finance and the Treasurer-General on behalf of the Imperial Persian Government, and by Lieutenant-Colonel H. R. Beddoes or any other person appointed on behalf of the contractors; but it is not to be considered as definitive until signed in London by the Persian Minister to the Court of St. James on behalf of the Imperial Government of Persia and by one of the partners in the firm of Messrs. Seligman Brothers on behalf of the contractors.

21. The Imperial Government of Persia agrees that during the continuance of this loan the office of Treasurer-General of Persia as existing prior to the 27th day of June, 1911, shall be maintained, and the powers and duties thereof shall not, during the period of the loan, be diminished, except with the consent of the contractors. The said office of Treasurer-General shall not be held by anyone except a citizen of the United States of America, or a subject of a European Power; in the former case to be approved by the Government of the United States of America, in the latter case by the Government of the European State of which he may be a citizen, and approved by the Imperial Government of Persia.

22. In order to facilitate and increase the guarantees heretofore pledged for the repayment of this loan, and to secure proper supervision and control of the expenditure of the surplus thereof, it is hereby agreed by the Imperial Government of Persia that the following organisation of the personnel of the Treasurer-General's staff shall be authorised:—

(a.) The present incumbent of the post of Treasurer-General shall have the right to a renewal of his contract for a further period of three years from date of expiration thereof, on such additional terms as may be agreed upon between him and the Imperial Government of Persia, provided, however, that nothing contained herein shall be construed to prevent any other or additional contract which, in the meantime, the Imperial Government of Persia may desire to make with the present Treasurer-General.

(b.) The following positions and contracts for a period of six years each for members of the staff of the Treasurer-General to be selected by him are hereby authorised:—

- One assistant Treasurer-General at salary of 1,500*l.* per annum.
- One administrator-general of the maliat at 1,250*l.* per annum.
- One assistant administrator at 900*l.* per annum.
- One chief auditor and accountant at 1,200*l.* per annum.
- One assistant auditor and accountant at 850*l.* per annum.
- One administrator-general in charge of loan and fiscal operations at 1,200*l.* per annum.
- One assistant administrator at 850*l.* per annum.

All expenditure of the surplus arising from the loan shall be made by the Treasurer-General for the reproductive public works and purposes mentioned in the preamble of this contract, upon the authorisation of the Persian Medjliss, and with the consent of the representative of the contractors herein after provided for.

23. It is hereby agreed that, during the actual period of expenditure, the contractors may appoint and maintain at Tehran a representative of their interests, whose sanction shall be necessary for the expenditure of the surplus arising from the loan which may be approved by the Persian Medjliss. The salary of such representative is hereby fixed at *l.* per annum, to be borne by the Imperial Government of Persia.

24. All salaries authorised by the present paragraphs of this contract are hereby made a first charge on the receipts and portions of receipts heretofore pledged to guarantee the repayments of the loan, provided that all other loan charges shall have been first paid therefrom.

25. It is stipulated by the contractors that they will not conclude the business unless they have letters from the Treasurer-General of Persia, giving figures satisfactory to the contractors concerning the revenue pledged (and letters from the British and Russian Governments giving their moral support to the loan),^{*} in terms satisfactory to the contractors, the contractors being fully empowered to use all such letters, or extracts from them, at their option, in the published prospectus. It is also stipulated that a prospectus of the loan in its final form shall be signed by a duly authorised representative of the Imperial Government of Persia in London.

26. Subject to the definite signature in London the contractors undertake to hold 20 per cent. of the amount of this loan at the disposal of the Imperial Government of Persia within three months after the signature in Tehran, and 20 per cent. monthly thereafter.

27. Should there, however, be any serious crisis in the money markets of London, Paris, New York, or Berlin, or a political upheaval anywhere in the world, between the signature of the contract in Tehran and London, so as to make the public issue impossible or undesirable in the opinion of the contractors, then the contractors have the right to retire from the business, or with the consent of the Imperial Government of Persia to postpone the issue.

28. Should the contractors not have definitely accepted this contract within three months of the signatures aforesaid being affixed in Tehran then this contract is to be deemed entirely null and void, unless the delay is caused by the failure to receive the letters referred to in paragraph 25, in which case the contractors shall have the period extended by the same number of days as elapse between the signature in Tehran and the receipt of the last of the said letters.

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No. 561.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 167.)

Sir,

Gulahck, September 5, 1911.

I HAVE the honour to transmit a French translation of the Regent's message to the Medjliss, which, as I reported in my telegram No. 328, was read and unanimously adopted on the 12th ultimo.

I also transmit a translation of the Cabinet's programme foreshadowed in the Regent's message. This programme was to have been submitted to the Medjliss on

* Colonel Beddoes tells me that these words will be omitted from the contract to spare the susceptibilities of the Medjliss. Seligman will, however, not go on with the loan without this moral support.—(Initialled) G. B.

† Colonel Beddoes tells me that since drafting this contract he has decided to extend this period from three months to six months.—(Initialled) G. B.

the 26th August, but when the president announced that he wished it to be placed on the order of the day, and requested those who were in favour of the motion to rise, only two deputies rose. The president urged the importance of supporting the Cabinet, and again put the motion to the vote, but it was negatived as before. The Cabinet was of course greatly annoyed. The Prime Minister threatened to resign and, I believe, the Minister of Foreign Affairs and the Minister of the Interior actually tendered their resignation, but on the following day a number of deputies visited the Prime Minister and urged him to remain in office, promising to "arrange the matter." On the 28th ultimo the Regent summoned the leading deputies to the palace and gave them a severe lecturing, with the result that when the programme was again submitted to the Medjliss on the 2nd instant it was passed by a large majority.

As regards article 1, I may mention that the Medjliss have drawn up a new electoral law prescribing direct elections in the place of the present elections through electoral colleges. Before the new law is passed the question is to be submitted to a council appointed *ad hoc*, in which Ministers and other extra-Medjliss notables are to participate.

It will be seen that article 2 of the programme looks to the deputies of the next Medjliss being given a mandate by the country for the revision of the constitution. The Regent has frequently complained that the constitution, as framed in 1906 and 1907, being specially directed against the Shah, left the Sovereign without sufficient power, and gave complete supremacy to the Medjliss, which the Sovereign had no power even to dissolve.

Articles 3, 4, 5, and 9 voice with more than the usual precision the cry of all recent Persian Cabinets for greater powers. It will be remembered that Sipahdar's Cabinet was granted "plenary powers," and only recently the Medjliss approved the declaration of a state of siege in the capital. There has been so far little sign of the exercise of those powers, and it will be interesting to see whether the present Cabinet will make more use of them than did its predecessors now that what Government requires has been stated with more precision than in previous programmes.

Article 8 has done duty in programmes in the past, but now that M. Perny, the Frenchman engaged by the Persian Government to assist the Ministry of Justice, has arrived (see my despatch No. 161 of the 1st September), it may be perhaps that something will be done to remedy the lamentable defects in the administration of justice in Persia, which are the despair of foreigners residing in the country no less than of Persian subjects.

Article 10 deals with foreign relations, and voices the Cabinet's desire to act in a manner to win the assistance and confidence of the foreign Powers, and tacitly recognises that the assistance and confidence of Great Britain and Russia are essential. So far as I can at present judge, Vosouk-ed-Dowleh seems to be sincerely anxious to carry out this policy, and he is perhaps as likely as any other possible Minister for Foreign Affairs to obtain for it the support of the Medjliss.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 561.

Regent's Message to the Medjliss.

(Traduction.)

JE viens de recevoir un mémoire de la part du Conseil des Ministres exposant leurs vues sur la situation actuelle du pays tant à l'intérieur qu'à l'extérieur, mémoire auquel j'attache la plus grande importance. Je dois vous dire qu'en mainte occasion je vous ai parlé dans le même sens en vous entretenant des principes fondamentaux qui devraient guider notre action politique. Je suis donc, en cette occasion parfaitement d'accord avec les points de vue que les Ministres viennent de me soumettre et crois remplir un devoir impérieux en les recommandant à votre attention toute particulière. Je tiens à rappeler à votre mémoire tout ce que je vous ai dit, depuis le commencement du nouveau régime et surtout depuis mon arrivée, concernant l'adoption d'une ligne de conduite sage et salutaire pour les affaires intérieures aussi bien que pour nos relations extérieures. J'ai toujours espéré que le Gouvernement constitutionnel, agissant d'après ces mêmes principes, aurait fait bénéficier le pays de tous les avantages d'un régime libéral. Je regrette vivement de constater que mes efforts n'ont abouti à aucun résultat tangible et que notre négligence de tenir compte des besoins réels du pays nous a menés à cette pénible situation. Les faits sautent trop aux yeux pour

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qu'il y ait lieu de commentaires. Vous conviendrez que dans l'état actuel il n'est plus temps ni de tergiverser, ni de méconnaître les faits, et moins encore de nous égarer dans des discussions pour rechercher les causes qui ont amené cet état de choses. Ce qui vous incombe en ce moment c'est de tomber d'accord avec les Ministres pour adopter une ligne de conduite qui, pour l'intérieur, rendrait possible un Gouvernement stable, fort et équitable, et qui les mettrait à même de sauvegarder les intérêts du pays et travailler pour le bien public. Il ne faut pas perdre de vue que pendant tout ce temps les dissensions, les utopies théoriques et le manque du sens pratique ont rendu tout gouvernement impossible, de manière que les crises ont succédé aux crises et que les Cabinets successifs, durant leur existence éphémères, dénués de toute autorité, n'ont pu rien entreprendre pour le pays. L'état actuel est donc la conséquence naturelle de cette instabilité; et si nous continuons dans cette voie sans prendre à cœur la leçon que nous a donnée le passé immédiat et sans nous rendre à des meilleurs conseils, il est sûr que nous aurons à nous repentir dans un avenir prochain.

Quant à nos relations extérieures, si étroitement liées à notre politique intérieure, je dois dire en résumé que, contrairement aux conseils que j'ai donnés à plusieurs reprises, je regrette aussi de constater que rien n'a été fait en vue d'améliorer et de développer nos relations avec les Puissances amies. Aucun effort sérieux n'a été tenté pour profiter de la bonne disposition témoignée par les représentants étrangers à Téhéran lors de mon arrivée, disposition dont j'ai reconnu et relevé, à son temps, la haute valeur. Je déclare donc qu'il est de toute importance de consacrer nos efforts à réparer les effets funestes de cette négligence dans le passé, et de tâcher de rétablir la confiance et la bonne intelligence dans nos relations extérieures. Par tout ce que je viens de dire je n'ai fait qu'appeler votre attention sur les principes que nous devons suivre; je laisse au Cabinet des Ministres de proposer à l'Assemblée un programme détaillé calculé pour atteindre le but désiré. Je me plais à espérer que les honorables députés ne perdront pas de vue la gravité des circonstances et rattraperont le temps perdu. Je le répète encore une fois qu'à l'époque où nous sommes aucun pays, et surtout le nôtre dans son état actuel, ne peut prospérer qu'en cultivant de bonnes relations étrangères. Je tiens à déclarer que dans le cas où la gravité de la situation et l'importance de ce que je viens de proposer n'étaient par prises en sérieuse considération, ma position deviendrait tout à fait intenable et qu'à aucune condition je ne pourrais continuer à rester spectateur oisif de l'état déplorable dans lequel le pays est plongé.

Enclosure 2 in No. 561.

Ministerial Programme.

(Traduction.)

VU la nécessité de la participation du Gouvernement aux débats concernant la loi électorale qui va être votée par le Parlement, les Ministres en étudieront les dispositions et feront connaître leurs vues décisives à la Chambre.

2. Attendu que les lois constitutionnelles, actuellement en vigueur, ne contiennent aucune clause concernant le mécanisme d'une revision éventuelle, et que, d'autre part, le Gouvernement estime une revision nécessaire, il sera proclamé par le pouvoir exécutif à l'occasion des élections prochaines que dans le cas où la nation se rallierait à ce sujet au point de vue gouvernemental, le mandat des nouveaux élus devra porter autorisation à procéder à la revision des lois organiques. Afin que le Gouvernement soit à même de se rendre compte des vœux de la nation à cet effet, aussitôt que les deux tiers du nombre total des représentants se seront réunis, il considérera ce nombre suffisant pour se prononcer sur l'opportunité d'une revision, et il aura recours au vote affirmatif ou négatif de ce quorum sur la question de savoir si une revision serait nécessaire ou non. Dans le cas où une majorité des deux tiers des députés ainsi réunis (deux tiers du nombre total) se prononceraient en faveur de cette revision, on en déduira que la nation elle-même aura donné son adhésion et on passera à la discussion y relative.

3. Attendu que le Gouvernement doit être pourvu d'une autorité suffisante et doit jouir des pouvoirs correspondant à la responsabilité qu'il assume et qui lui permettent de se guider uniquement par les intérêts du pays, il ne doit d'aucune façon être soumis à l'influence des ingérences d'individus ou de collectivités irresponsables. Dans le cas où les ingérences se traduiraient en actes à l'insu des autorités compétentes ou bien prendraient la forme de nouvelles mensongères ou de rassemblements secrets tendant à induire le public en erreur ou à discréditer le Gouvernement, ce dernier serait autorisé à empêcher de pareilles menées et à punir les coupables.

4. Le Gouvernement prendra des mesures immédiates en vue de fortifier l'autorité centrale et empêcher une décentralisation malavisée et l'anarchie administrative. Il serait nécessaire, pour atteindre ce but, de reviser les lois régissant les conseils provinciaux et municipaux en tenant compte à cet effet des lumières des conseillers européens au service du Gouvernement, en attendant que cette revision ait été effectuée et ait pris forme de loi, attendu que les lois portant organisation des conseils municipaux ne confèrent pas au Gouvernement la faculté de les dissoudre, le Gouvernement sera autorisé à exercer ce droit au besoin.

5. Le Gouvernement sera autorisé à poursuivre les personnes qui, profitant du fait que les lois complémentaires des lois organiques ne sont pas encore édictées et se prévalant de l'ambiguïté de ces mêmes lois, mettent en danger l'ordre et la sécurité publique, ou, se basant sur la lettre des lois vagues, font obstruction aux mesures gouvernementales; ou des personnes qui, dans le but d'intérêts personnels, font valoir même les lois étrangères. Le Gouvernement doit être autorisé à mettre fin à tous les abus provenant de la fausse interprétation des lois.

6. En vue du rétablissement de l'ordre et la sécurité dans le pays, ce qui constitue le dessein essentiel de tout Gouvernement, la création d'une force disciplinée suffisante, et, en attendant, la formation d'un corps de gendarmerie sous la direction des officiers suédois s'imposent. Le Gouvernement devra faire toutes les démarches nécessaires à cet effet et présenter à l'approbation de la Chambre des projets qu'il jugera utiles pour activer et compléter la mise en exécution de ses mesures.

7. Le Gouvernement propose la simplification et, le cas échéant, la suppression des services d'administration qui ont été créés sans nécessité et par inexpérience et qui ne répondent pas aux besoins actuels, tandis que leur suppression s'impose et par esprit d'économie et par le souci de leur bon fonctionnement.

8. Le Gouvernement a mis à l'étude la question d'une réorganisation organique du Ministère de la Justice et ne manquera pas de présenter à ce sujet un projet de loi à la Chambre. En attendant que ce projet acquière force de loi, le Gouvernement doit être autorisé à prendre les mesures qu'il jugera convenables pour la dispensation de la justice.

9. D'autant que le Code pénal n'aura pas passé la Législature dans les formes légales, le Gouvernement doit avoir plein pouvoir d'exercer la répression d'après les termes d'une loi provisoire approuvée en Conseil des Ministres.

10. Il est évident que la politique intérieure d'un pays dépend jusqu'à une certaine mesure de sa politique étrangère et de ses relations internationales, et tant qu'une ligne de conduite franche et prévoyante n'ait été adoptée le Gouvernement se heurtera à des difficultés même dans sa politique intérieure. Le Gouvernement doit donc, dans ses rapports avec les Puissances amies, et surtout avec celles dont l'importance des relations est plus considérable, adopter un plan, calculé à lui assurer le concours et la confiance de ces Puissances. La condition essentielle à la réussite des démarches du Gouvernement est l'appui et l'approbation de l'opinion publique.

[37396]

No. 562.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 168.)

Sir,

Gulahek, September 5, 1911.

WITH reference to my despatch No. 143 of the 9th August respecting the state of the southern roads, I have the honour to report that His Majesty's consul-general at Ispahan reported under date of the 5th August that the condition of the Shiraz-Ispahan road continued to be unsatisfactory, the Shiraz down-post being robbed at Mahyar where a similar robbery had occurred a few days previously, and the up-post had been attacked in another locality. Mr. Grahame added that though recent robberies had been petty, the effect produced by them on the muleteers was almost as disastrous as if the robberies had been large. A long-delayed caravan, however, of 150 animals all bearing piece-goods belonging to Messrs. Ziegler arrived at Ispahan from Shiraz on the 5th August. Though they had been subjected to no robbery, the muleteers complained of the exactions of the road guards.

Later reports from Mr. Grahame, dated the 12th and 19th, state that the Shiraz road is overrun with robbers between Ispahan and Kumisheh, and that caravans with British goods were held up for want of guards, a reinforcement of whom were being

dispatched at the request of the consul-general. Other caravans managed to reach Ispahan by the circuitous Sarhad route.

As regards the Bushire-Shiraz road, caravan traffic between Kamarij and Kazerun has been practically suspended owing to fighting between the Kamarjis and Kashgais.

The Ispahan-Tehran road seems in a worse state than ever. The principal cause of disturbance is the presence in the neighbourhood of Kashan of the notorious brigand Naib Hussein, who is, however, being actively dealt with by Bakhtiaris from Ispahan.

Traffic on the Ahwaz route continues suspended, and the sacking of caravanserais have been reported to you by telegraph. It is hoped that arrangements now being negotiated for the protection of caravans, either by extra guards supplied by the Bakhtiari khans or by arming the muleteers themselves, will bring about an amelioration of the condition of this road.

Recent reports from His Majesty's consul at Kerman of the alarming condition of the Kerman-Bunder Abbas road, and of the robberies which have taken place there, have been repeated to you by telegraph.

I take this opportunity of forwarding to you a copy of a despatch from His Majesty's consul-general at Bushire respecting the continued levy of illegal exactions, such as rahdari, &c., along the southern trade routes. I have brought the matter verbally to the notice of the Persian Government, who promise to take the necessary measures. It is, however, useless to disguise the fact that both the Central Government and the local authorities are at present powerless in the matter. I have refrained from addressing a formal protest to the Persian Government lest my doing so should be construed as an admission that, apart from the question of rahdari, we had no further complaint with regard to the condition of the trade routes.

I have, &c.

G. BARCLAY.

P.S.—I also have the honour to enclose copy of the June quarter trade report from His Majesty's consul-general at Ispahan,* with special reference to the state of the southern routes as reported therein and the effect of their insecurity on trade.

G. B.

Enclosure 1 in No. 562.

Lieutenant-Colonel Cox to Sir G. Barclay.

(No. 59.)

Sir,

Bushire, July 23, 1911.

I HAVE the honour to bring to your Excellency's notice again the total failure of the Government of Fars to make good to us their solemn engagements to remove all illegal exactions along the southern trade routes, such as rahdari, alafi, and analogous levies.

These formed one of the principal features of the insecurity of the great southern road, of which British commercial interests complained, and which led His Majesty's Government in the note of the 14th October, 1910, to insist on urgent reforms along the route.

On my part, when Nizam-es-Sultaneh passed through Bushire, in January 1911, having been specially deputed to remove all complaints about the state of the caravan routes, I addressed him a memorandum on the subject, of which I enclose a copy, together with his reply.

I regret, however, that in the subsequent six months there has been no improvement or reduction in the levy of these exactions: in fact in several places, even Kumarij, where muleteers were formerly fairly well treated, exactions have increased in spite of, or by reason of, the dispositions of the Governor-General, as the case may be.

The khans of Borazjun, Daliki and others have made small fortunes from these exactions, and though the Nizam ordered Amir-ul-Mulk in February to bid them all cease taking rahdari, they have paid no serious attention.

The following information, taken from our monthly road bulletins of rahdari between Bushire and Shiraz, bears this out fully:—

* Mr. Grahame, No. 104 of 1911 (not printed).

						Krans c.
June	1907, per mule, approximately	..	..	..	..	3 70
June	1909, " " "	..	..	..	..	15 00
December	" " "	..	..	..	..	20 00
January	1910, " " "	..	..	..	..	11 15
February	" " "	..	..	..	..	9 75
March	" " "	..	..	..	..	9 35
April	" " "	..	..	..	..	7 10
June	" " "	..	..	..	..	10 80
July	" " "	..	..	..	..	10 50
August	" " "	..	..	..	..	10 70
October	" " "	..	..	..	..	13 62
January	1911, " " "	..	..	..	..	9 25
February	" " "	..	..	..	..	18 90
March	" " "	..	..	..	..	(including 7 krans alafi)
ment of Bushire muleteers to the local commercial anjuman, 15 kr. 30 c.)						(according to the written statement)
May	1911, per mule, approximately	..	..	..	..	11 00
June	" " "	..	..	..	..	12 95
	" " "	..	..	..	..	14 20

A translation of a letter from the muleteers to the Bushire anjuman, written in April on this subject, is also enclosed.

It will be clear to you, Sir, that this sum is a heavy tax on trade from the south, for the price of transport and of goods is higher in consequence, with the result that Russian trade in some articles, such as piece-goods and kerosene, is undoubtedly making encroachments into the British selling sphere. At the present time rates of mule hire have risen to 19 tomans (71s. 8d.) for less than 7 cwt. Further, the muleteers have suffered financially during recent years, and the continuance of this oppression is making transport scarcer.

This deplorable state of affairs is not only confined to the Shiraz road, as your Excellency will see from the enclosed despatch of the 23rd June, 1911, from His Majesty's consul at Bunder Abbas.

The latter's complaint specifically refers to carpets being diverted to the north and Russia as a result of oppressive rahdari in the south.

His Excellency the Nizam-es-Sultaneh would doubtless reply to any protests made that his whole time and thoughts have been absorbed by the acuteness of the Kowami difficulty and the situation in Shiraz; but meanwhile the months are passing, and so far he has absolutely neglected this, from our point of view, the chief item of the task entrusted to him.

I venture to ask your Excellency to stimulate the Minister of the Interior to take him severely to task for his failure hitherto to take any effective measures for the safety of the roads or the suppression of blackmail in the form with which this letter deals.

I have, &c.

P. Z. COX, *Lieutenant-Colonel, British Resident in the Persian Gulf, and His Majesty's Consul-General for Fars, &c.*

Enclosure 2 in No. 562.

Memorandum on Rahdari and Alafi.

BY article 4 of the Anglo-Persian Commercial Convention of 1903, the Persian Government undertook to suppress all rahdari taxes, and not to allow the establishment of the road or barrier taxes. Further, by article 4 of the firman of His Imperial Majesty the Shah, dated the 28th February, 1903, the taxes of octroi, khanat maidan, kapundari, rahdari, and other analogous taxes were abolished.

None the less, for the past four years rahdari has been levied along the Bushire route in constantly increasing sums; and these illegal exactions form one of the grounds for the strong complaints which the British Government has lately made about the state of the Bushire-Shiraz road. There is at present nothing to prevent the tufangchis along the road from extorting as much as they like from muleteers; and this has a very bad effect on the price of transport and trade generally; in fact, several of the khans along the road, e.g., Borazjun and Daliki, appear to think that they have a right to extort money from muleteers just as if caravans were entering foreign countries and paying customs taxes.

The evil begins at the very gate of Bushire, because the kalantar, with the approval of the local Government, causes 1 kran 5 shahis to be taken for every mule; and when the resident has requested the local governor to stop the exaction, instead of complying, the latter has replied that the income derived from this source was included in the schedule of revenue which he had to collect, and that he could not do anything unless the Minister of Finance deducted a corresponding sum from the maliyat of Bushire. I believe a recent Governor of Bushire has included the proceeds of rahdari from Bushire to Ahmedi in the budget of the maliyat. All this despite the fact that the Persian Government has informed the British Legation that they had prohibited the exaction of this gate tax.

More extraordinary still, it is stated that it is proposed to make muleteers pay 4 shahis per mule for the anjuman. Such illegal methods of raising money must not be initiated.

Lists of sums taken from muleteers have been carefully drawn up, and are attached in order that your Excellency may understand that this matter really needs your attention, for the British Government cannot be expected to tolerate the continuance of these extortions by tufangchis and khans along the road.

The khans of Borazjun and Daliki are special offenders.

At certain stages alafi at exorbitant rates has also been levied, and this is also an illegal act on the part of the khans, who force the muleteers to pay for the fodder.

Enclosure 3 in No. 562.

STATEMENT of Sums exacted by Tufangchis, &c., on Merchandise between Bushire and Kazerun.

	June 1907.	June 1909.
Bushire at gate	Per mule	Per mule
Outside gate	0 18	1 3
Chogadak	0 4	1 0
Ahmedi	0 2	10 0
Isavand	0 3	5 0
Chah-i-Khani	0 2	0 10
Khushab	0 3	2 0
Borazjun	0 4	1 10
Tul-i-Borazjun	0 3	0 10
Jatta .. .. .	.. .. .	1 0
Karoul-Khane	0 3	5 0
Ab-Gandeh .. .. .	.. .. .	4 0
Daliki	Per mule	2 5
Borj-i-Namazgah	0 2	0 10
Pul-i-Daliki	0 2	4 0
		0 10
		10 0
		(or 13 lb. sugar)
Darva Kuli .. .. .	.. .. .	4 0
Kotal-i-Malu	Per mule	0 5
Banaki .. .. .	.. .. .	1 0
Konartakhteh	Per mule	0 10
Jafferjin .. .. .	.. .. .	7 lb. sugar
Takhteki .. .. .	.. .. .	0 10
Cheroon	Per mule	0 5
Kotal-i-Kumarij	0 3	0 2
Tang-i-Turkan	0 3	0 8
Caravanserai .. .. .	.. .. .	0 15
Diris .. .. .	.. .. .	0 8
Kawa-Khane .. .. .	.. .. .	0 4
Kazerun .. .. .	.. .. .	0 18
	.. .. .	0 10
	.. .. .	11 0
Total	8 14	Total { per mule .. 12 13
		{ per 25 mules.. 67 10
		(= Approximately 15 krans per mule.)

RAHDARI, Tufangchigeri, &c., via Daliki, March 15, 1910.

	Krans c.
Shiraz for Soulet-ed-Dowleh	2 50
Chenar Faryab, Moskhun, Jirreh .. .. .	.. .. .
Sar Mashad .. .. .	.. .. .
Kaleh, Gubine, Miyan Menzil .. .. .	.. .. .
Daliki	2 00
Sar Bishe .. .. .	.. .. .
Borazjun	2 50
Ahmedi	1 00
Chogadak	0 15
Bushire	1 20
Total	9 35

RAHDARI, as reported on January 8, 1911.

	Krans c.
Khaneh Zinian	0 50
Mazarm	0 30
Abdui	0 5
Pul	0 20
Chamankash	0 20
Kazerun	0 20
Deris	0 40
Caravanserai, Kalantar	0 10
Tang-i-Turkan	0 10
Kumarij	0 10
Cherun	0 10
Jafferjin	0 30
Banaki	0 50
Borazjun	1 00
Ahmedi	1 00
Chogadak	0 50
Bushire —	
Towngate	1 25
Medjliss	0 20
Total	7 00
Alafi	2 25
Total	9 25

Enclosure 4 in No. 562.

Lieutenant-Colonel Cox to Nizam-es-Sultanch.

(After compliments.)

Bushire, January 24, 1911.

WHILE your Excellency was yet here I had asked Mr. Chick to have prepared for your Excellency's information short summary of the several cases (six in number) concerning our commerce, in the settlement of which we are needful and hopeful of your kind efforts and assistance. I had intended to place them in your hands when I had the honour of visiting your Excellency, but unfortunately preoccupation with other subjects in which we were interested gave me no opportunity.

I therefore venture to trouble you with them now, and shall be most grateful if on your journey to Shiraz and after your arrival you will be so good as to take action in the directions suggested, in order that their settlement may be expeditiously effected.

P. Z. COX, Lieutenant-Colonel, British Resident in the Persian Gulf, and His Majesty's Consul-General for Fars, &c.

Enclosure 5 in No. 562.

Nizam-es-Sultaneh to Lieutenant-Colonel Cox.

(After compliments.)

Undated [received January 29, 1911.]

YOUR esteemed letter dated the 22nd Moharrem, which had been forwarded by a special sowar (courier) to Borazjun, has been duly received by me, and I have fully understood its contents.

I now have the honour to state in reply that as, if I wish to settle any of the affairs mentioned by you, it would be necessary for me to be on the same spot where the party concerned is present, and that as most of the cases concern Kazerun and Fars, I will, Inshallah, begin investigating and settling them when I leave this place, and when I succeed in settling any of them I shall inform you accordingly.

In order to evince my friendship and good-will, I especially desire to be successful in settling the matters mentioned by you and to earn your satisfaction by using all possible endeavours.

(Usual complimentary ending.)

Enclosure 6 in No. 562.

"Muleteers" to the Merchants of Bushire.

(Translation.)

3rd Rabi II, 1329 (April 3, 1911).

IT is not hidden from you that it is beyond the power of imagination to describe the oppression used on the road which has entirely made miserable and impoverished us. Nothing has been left for us but distress, and if we do not altogether discontinue this business it is because of the great debts (in which we are involved) and because of our straitened circumstances. If you do not support us in extirpating this oppression, despite the fact that commercial affairs depend on the assistance of muleteers, a great blow will surely be dealt to commerce. Further, it depends on the competence of his Excellency the Governor-General of Fars to afford us redress, and you can by this means remove the tyranny and oppression. Should you (which God forbid!) procrastinate and vacillate, you will not only wrong him, but in future, when the apprehension caused by his Excellency's arrival wears off and the trepidation of the road officials lessened, they (*i.e.*, the khans along the route) will of course augment their tyranny, and nothing can surely be done.

The oppression which we have to undergo nowadays from the point of departure at Bushire to the centre of Fars and the amounts usually taken from us along the road are as follows:—

						Krans c.
Bushire gate	..	..	..	..	per mule	1 35
Chogadak	..	..	..	..	per mule and tufangchi	0 80
Ahmadi (alafi and tufangchi)	..	..	..	..	per mule	1 25
Isawandi (tufangchi)	..	..	..	..	"	0 50
Khusab (alafi and tufangchi)	..	..	..	..	"	0 10
Borazjun (tufangchi)	..	..	..	..	"	2 25
Borazjun borders (sarbishah and tufangchi)	..	..	..	..	"	0 25
Daliki and Sar-i-Pul (tufangchi and alafi)	..	..	..	..	"	1 50
Kotal-i-Malu (tufangchi)	..	..	..	..	"	0 25
Konar-Takhteh, Banaki, and Jafferjin, 2 leagues (alafi and tufangchi)	..	..	..	..	"	3 10
Cheran and Kumarij (four stages)	..	..	..	..	"	0 50
Deris (alafi and tufangchi)	..	..	..	..	"	0 60
Border-tower Kazerun (tufangchi)	..	..	..	..	"	0 25
From Kazerun to Shiraz, &c. (tufangchi)	..	..	..	..	"	3 00
Total ..	..	..	..	..	..	15 70

The sums stated in the above list are usually recovered on each mule. It is hardly necessary to detail what is recovered under different pretexts as extraordinary impositions, and you will surely be grieved to know what is done to us, the oppressed, and what a life of hardship we lead.

It is hoped that you will not fail to afford us every assistance.

Enclosure 7 in No. 562.

Captain Biscoe to Lieutenant-Colonel Cox

Sir,

Bunder Abbas, June 23, 1911.

I HAVE the honour to forward herewith a letter received from Messrs. Gray, Paul, and Co. on the subject of rahdari, which appears to have been levied by certain kalantars on the roads between Bunder Abbas and Kerman. As the letter is not quite explicit, it may be as well to amplify it slightly. There are two main routes followed by the caravans proceeding to Kerman—one via Jiruft, used principally in winter, and the other via Daulatabad and Baft, chiefly used in summer. On the former route rahdari is levied by one Masht Ali Khan, kalantar of Rud Khaneh Duzdi, at a place called Gudar-i-Shuroon, in Fars administration, at the rate of $\frac{1}{2}$ kran per donkey and 1 kran per mule. On the latter route rahdari is levied by one Mohammed Ali Khan, kalantar of Ahmadi, also in Fars administration, at the same rate; lately, however, Mohammed Ali Khan, of Ahmadi, has seen fit to impose a special tax of 5 krans per donkey-load on carpets.

In this connection I would invite attention to Mr. Gabriel's letters No. 480 dated the 29th August, 1906, and No. 637 dated the 19th November, 1906, from which it will be seen that the rahdari at these two places is of very long standing, and orders issued for its abolition appear never to have been put into effect. As long as the amount levied is small and is levied alike on all classes of goods, its effect on trade in general is not very serious; but now that a heavy additional tax is levied on a particular class of goods, of which practically the entire export is in British hands, it is essential that effective steps should be taken to enforce the orders abolishing the tax.

I would therefore request that his Excellency the Governor-General of Fars may be asked to issue the necessary orders to the above-mentioned kalantars.

As possibly this may take some time, I am writing myself to Mohammed Ali Khan, and will warn him that representations have been made on the subject which may bring him into trouble unless the tax is at once abolished, at any rate on British goods. It is possible that I may thus be able to get the tax suspended until such time as orders from Shiraz arrive.

I have, &c.

H. V. BISCOE, Assistant Resident and His
Britannic Majesty's Consul, Bunder
Abbas.

Enclosure 8 in No. 562.

Messrs. Gray, Paul, and Co. to Captain Biscoe.

Dear Sir,

Bunder Abbas, June 23, 1911.

LAST week we have received 328 bales carpets sent by Messrs. Nearco, Castelli, and Brothers, of Kerman, for shipment to New York and Stamboul per Jilloudhars Meshedi Assadullah-walla-i-Meshedi Gholam Hossein Jimilabadi, Meshedi Derwish-wallad-Abdul Hassan Beg Afshari, and Ahmed Khan Kelleskeri.

The first two jilloudhars report that, contrary to the usual custom, Ali Khan and Mohammed Ali Khan, of Ahmadi, have forcibly collected from them 5 krans per load rahdari tax, whereas, they generally paid $\frac{1}{2}$ kran only per load of carpets before. The third man, Ahmed Khan Kelleskeri, escaped this exorbitant tax by coming through another route, *i.e.*, Gudar-i-Shuroon.

As all rahdari taxes have been abolished since 1903 when the commercial convention was signed between the United Kingdom and Persia, and the forcible collection of them on routes which can scarcely be called safe for trade, is detrimental to the British trade, we would request you to move in the matter, with a view to have a stop put to these highway practices on the part of the Persian kalantars.

We may mention for your information that all the carpet trade from Kerman was one for years together through Meshed and Tehran, and it is only since last couple of years that we succeeded in diverting the route to the south; but if these exorbitant road taxes are levied with impunity coupled with complete insecurity of life and property on the trade routes, at times we are afraid this trade would revert to its

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old route and find way by the north of Persia; as the jilloudhars have also informed us that if they have to pay again this heavy rahdari of 5 krans per load of carpets they would never carry them this way.

Yours faithfully,
(Pro Gray, Paul, and Co.),
C. DA CUNHA.

[37397]

No. 563.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 169. Very Confidential.)

Sir,

Gulahek, September 5, 1911.

I HAVE the honour to transmit herewith a memorandum of a conversation which Mr. Young recently had with the Regent at one of the interviews which I arrange at frequent intervals between one or other of my staff and His Highness, in order that my Russian colleague and I may keep in touch with His Highness's views on the political situation of the moment.

With reference to the Regent's observations with regard to the recognition of the spheres of influence, His Highness also said very confidentially how greatly he deplored that the fact of the seat of Government being in the Russian sphere would result in placing not only the northern provinces but the whole of the kingdom, so long as it was governed from Tehran, in a measure under the predominance which we had recognised to Russia only in the north. His Highness then dwelt on the advantages which Ispahan possessed as a central point of the Persian kingdom.

Mr. Young pointed out that Ispahan was also in the Russian sphere.

I have of course not repeated this portion of the conversation to M. Poklewski.

I have, &c.

G. BARCLAY.

Enclosure in No. 563.

Memorandum of Conversation between Mr. Young and the Regent.

Medjliss.

(Confidential.)

HIS HIGHNESS repeated his views that not much improvement could be expected from the present Medjliss. His hopes were centred on the fact that the Medjliss had only another six weeks before its term came to an end. He thought it would be very desirable to postpone the new elections as long as was compatible with constitutionalism. He hoped to effect this by a measure prescribing the registration of voters, an operation which would take some months, during which the Government could rule undisturbed by the interference of the Chamber in the administrative work.

The Cabinet.

His Highness thought that the Cabinet was working fairly well together, but there was always a fissure between the democratic element of one or two persons and the others. He instanced that two or three days ago the Cabinet had agreed upon some payment to certain troops, but that the democratic Ministers had afterwards stopped this payment.

The Programme.

The new programme arising from the message of His Highness to the Medjliss was being elaborated by the Cabinet.

Its principal lines would be:—

1. The increased endeavours to cultivate friendly relations with foreign Powers (Russia).

2. Additional powers to the executive for the punishment of persons (deputies, individuals, committees, &c.) obstructing the work of Government and for the control of the press.

3. The dissolution or suspension of certain provincial Anjumans.

4. A proclamation to be issued before the elections declaring that the new Medjliss will have the power to revise the constitution.

[The Government will present their scheme for the revision of the constitution after the elections. It will include authority to the Shah to dissolve the Medjliss.]

5. The Cabinet to elaborate the new electoral law which the Medjliss was now dealing with without reference to Ministers. The Regent dwelt much on the great need of the present Government for the moral support of the two legations against the ex-Shah. He particularly hoped that as the entire Caspian was under the Russian flag, if Mohammad Ali re-embarked on a boat to move to some other centre of disturbance he might be considered as having re-entered Russia and prevented from returning to the Persian shore.

His Highness then talked of conciliatory advances to Russia in the matter of automobiles, pipe-line (Enzeli), purchase of arms, &c., and, as regards England, the Arabistan Telegraph Convention. He was urging on his Ministers that they, without perhaps actually recognising the spheres of interest, should always so act as to allow no question to arise challenging the provisions of the Anglo-Russian agreement.

If the Mohammad Ali crises were happily surmounted His Highness expressed his personal desire to go ahead with railway construction. He regretted that no effect had been given to his original proposals for informal conferences between himself and the British and Russian Ministers on the subject. His idea was that after a private understanding certain main lines should be declared for, such as Tabreez to Tehran, and Tehran via Khorramabad to Mohammerah, and that each country should construct the line from its own end by sections, so far as it was politically willing or financially able, and that the intervening spaces should be left for construction by mutual consent in an indefinite future.

His Highness hoped that we were convinced there need be no fear of Persia's willingness to admit German competition.

August 20, 1911.

[37398]

No. 564.

Sir G. Barclay to Sir Edward Grey.—(Received September 25.)

(No. 170. Confidential.)

Sir,

Gulahek, September 5, 1911.

I HAVE the honour to transmit herein copy of a despatch from His Majesty's consul-general at Bushire, forwarding an interesting account by Mr. Wilson of the internal politics of Luristan.

Since the date of Colonel Cox's despatch I have learnt from His Majesty's consul in Arabistan that the Vali of Pusht-i-Kuh, Ghulam Riza Khan, Amir-i-Jang, has been displaced by his son Amanullah Khan, Sardar-i-Jang.

I have, &c.

(In the absence of Sir G. Barclay).

LANCLOT OLIPHANT.

Enclosure 1 in No. 564.

Lieutenant-Colonel Cox to Sir G. Barclay.

(No. 63.)

Sir,

Bushire, July 29, 1911.

I HAVE the honour to forward, for your Excellency's information, copies of a letter, with enclosures, dated the 14th June, 1911, received recently from Lieutenant Wilson, on the subject of the internal politics of Luristan.

2. The correspondence throws an interesting side-light on the close relations existing between the principal tribal chiefs of Luristan and their attitude to the Central Government. The difficulties of the Vali of Pusht-i-Kuh seem to be serious, and it appears probable that, as suggested by Lieutenant Wilson, the present decline of his authority and consequently of his potential utility to us will prove permanent.

3. The high repute in which the Sheikh of Mohammerah now stands even in districts so far removed from direct contact with his authority as North-West Luristan

seems to be the direct result of his close relations with us, and the value set on his friendship is the more satisfactory to note, as it seems (*vide* paragraph 6 of enclosure) to make for peace.

4. I am sending a copy of this despatch to the Government of India.
I have, &c.

P. Z. COX, Lieutenant-Colonel, British Resident in
the Persian Gulf, and His Majesty's Consul-
General for Fars, &c.

Enclosure 2 in No. 564.

Lieutenant Wilson to Lieutenant-Colonel Cox.

Sir,

Khoremsabad, June 14, 1911.

I HAVE the honour to enclose translations of correspondence which has recently passed between Daoud Khan Kalhor, Sardar Muzaffar, and Nasr Ali Khan, Sardar Akram, Vali of Pusht-i-Kuh in regard to the attitude they should adopt towards Ghulam Riza Khan, Amir-i-Jang, Vali of Pusht-i-Kuh, in reference to his difficulties with Amanullah Khan, Sardar-i-Jang, his eldest son. The original documents were lent to me by the Mirza of the Sardar Akram whilst I was at the latter's camp at Maleh Kalandar.

2. The correspondence is of no immediate political importance, but is of interest, in that it illuminates the close relations that exist between the principal tribal chiefs of Luristan and, indeed, of South Persia, and the constant and intimate correspondence that they conduct with each other.

3. Daoud Khan's amusing reference to the Governor-General of Kermanshah, whom, he says, he will try to keep on his legs (Enclosure 3), is an illustration of the patronising attitude that a Lur chief can afford to take up nowadays towards his nominal rulers.

The truth of the vali's assertion (Enclosure 4) that Amanullah Khan is being misled by his entourage for their own bad ends is borne out by Daoud Khan's remark (Enclosure 3) that it is not practicable to make peace between father and son, as the latter's entourage are at variance as to what course should be pursued. My information tends to show that Amanullah Khan, who is powerfully backed by Daoud Khan and Nasr Ali Khan, will eventually get the better of his father, and we must be prepared to turn this event, when it occurs, to good account. With the Vali of Pusht-i-Kuh and Pish-i-Kuh and Daoud Khan Kalhor in close alliance, we should be able to obtain satisfactory guarantees for the security of the roads on which our commerce depends.

4. The Sardar Akram, as reported by Mr. Knox, His Majesty's acting consul at Kermanshah, in November 1910, is at the head of a hitherto unknown confederation of Lur tribes; his writ runs from the Saidmarreh and Kashgan to the borders of the Kermanshah and Nihawand provinces. He is in close touch with the Bairanwand, the most powerful tribe in Luristan, and his counsels determine the attitude of their numerous leaders towards the Governor-General of Luristan. It was at Nasr Ali Khan's camp that an assemblage of tribal leaders from every tribe in Luristan, including Dirakwand and Judeki, met to discuss the attitude they should adopt towards the new governor.

5. The decision arrived at was that so long as the Bakhtiari governor restricted his actions to Burujird and made no attempt to coerce the tribes or demand more than the old assessment of revenue from Nasr Ali Khan (about a quarter of what he should really pay) no active hostility should be shown. The Bairanwand are now demanding remission of arrears of revenue, and a subsidy of 8,000 tomans as their reward for permitting the Amir Mufakham Bakhtiari to proceed to Khoremsabad, the capital of his province, from Burujird; but it seems likely that the Governor-General will be able to make his own terms with them.

6. In this connection I should add that Nasr Ali Khan told me that he would be loath to act against the Amir Mufakham as long as the latter was the friend of the Sheikh of Mohammerah as at present. He had several times written to the sheikh, but without eliciting a reply. Upon reading the cordial letter of recommendation which the latter had given me to him, and which commenced by expressing surprise that he had not written for so many years, he said that he was gratified beyond measure, as it was plain that his letters had been intercepted.

7. He at once wrote a most cordial and deferential reply, expressing a desire for more frequent intercourse in future and for a friendly alliance, and assuring him of his readiness to be of service in any way possible (Enclosure 8).

8. The sheikh's letter, with a newspaper containing his portrait, was handed round the assembly of chiefs, and from the conversation that followed it was plain that the reputation of the sheikh stands at a very high level. His relations with us and the prosperity that has followed upon his policy of assisting foreign commerce were well known, and the Sardar Akram expressed a desire to imitate his policy.

In a subsequent letter I hope to deal with the relation of the Sardar's attitude to our Luristan road concession.

9. In conclusion, I may remark that the whole of Luristan is undoubtedly royalist and anti-constitutionalist. The first question that every Lur, be he peasant or chief, asks me is: "Where is Mohammed Ali Shah, and when will he come back?" All alike express their conviction that had he made for Luristan or Kurdistan instead of taking refuge in the Russian Legation he could have restored his fortunes, and they are loath to admit the obvious deduction from the fact that he did not do so, that he lacked the qualities which would have enabled him to regain his supremacy. It is generally asserted that were he to return to Luristan he could raise the whole province in his favour, and that Kurdistan and the Bakhtiari [?] would follow suit.

I have, &c.

A. T. WILSON, on Special Duty.

Enclosure 3 in No. 564.

Sardar Muzaffar to Sardar Akram.

(Translation.)

(Abstract.)

7th Rabi-ul-Awal, 1329 (March 5, 1911).

I AM on good terms with Rukn-ed-Dowleh, the new Governor-General of Kermanshah, and he favours me and my tribes and allies. I have sent him 4,000 tomans on account of the revenue and a fine horse that, I swear by God, I bought only recently for 120L, along with four mules. He is a good man and suits me well, so I shall do what I can to keep him on his legs. He is on the side of our friends in the town, too, so you might write a nice letter to him.

I have read the letters from the Khans of Luristan which you enclosed in your last letter to me, sent by Karbelai Riza. I hope things will remain for you as prosperous as they are now. Undoubtedly you have got the whole of Pish-i-Kuh under your control, and the tribes will undoubtedly conform to your desires. Be sure that I will back you up. I sent all the letters in question on to Amanullah Khan, and now return them with his reply.

You and I have no desire to fight the Vali of Pusht-i-Kuh, though we have no need of his support; but we are allies of his son Amanullah, and bound to back him up. I don't want to fight the vali; I swear by God and the Holy Koran that I am anxious to make peace between them, and have always counselled Amanullah to be a dutiful son. But peace is out of the question at present, as the advisers of Amanullah are at sixes and sevens, and there seems to be no policy to which they would all agree and which you and I could press on them.

When the vali and Amanullah had a conference and later on came to blows, I was always telling Amanullah not to play with fire by upsetting the government of Pusht-i-Kuh; however, the vali brought things to a crisis by surrounding Amanullah's camp; he put his hand over him as over a hen and took him prisoner. So I, of course, advanced with all my forces as far as the 'Aiwan and boundary of Luristan, and sent my son Hissam-es-Sultan with 600 or 700 sowars in advance close up to Amanullah's camp; so peace was made and I got him out of a nasty hole. But it was not really peace, for Amanullah had been defeated and captured, and for forty days I had no news of him. Meanwhile you moved up from Saidmarreh, but nothing came of it till the vali proposed some conditions, none of which Amanullah could accept, so he took no action and wrote that they were no good to him.

I wrote to him that if he left Luristan we could not help him, so he would do well to patch up a peace with his father.

He replied two days ago that he could come to no agreement, and that the vali was pressing him.

Amanullah depends on you and I, and we must back him up; if he is defeated it will do us harm, and we can support him without difficulty.

Enclosure 4 in No. 564.

Sardar Muzaffar to Sardar Akram.

(Translation.)

April 23, 1911.

I SENT Murteza Khan to make peace between the vali and Amanullah Khan; before long he returned. Some of the replies given by the vali were frivolous pretences, as you are aware; some of them were reasonable. The fact is he gave a reply ill-suited to the necessities of the moment and is not sincere, and now, in particular, he is unkind on account of Amanullah's alliance with you and me. All Luristan knows this, and it is as clear as the sun.

I met Amanullah soon after and stayed two days with him; had a most enjoyable time; sorry you did not turn up as we had hoped. After enjoying ourselves for a couple of days we had a conference and talked over everything. The upshot was this, that you should meet us, which you have not done for a long time, at Chahardawar, where we are; we will then talk over things and settle everything as you desire; once we have met, it will be easy to make peace. The instructions that Baba Khan, bearer of this letter, has received from us are as follows:—

All the world knows that you and I are the allies of Amanullah; our interests are identical; we are one soul in three bodies. If Amanullah's affairs prosper it is not without our aid; it is our own doing, and if he gets into trouble it is we who will suffer, and I am sure you will not allow such a contingency to occur.

All the same I write to remind you that a man must be faithful and act as he speaks and promises, which is your policy as everyone knows. Don't think I am cajoling you for my own purposes or to reserve any political aim. I swear by Hazrat Amir that never in my life have I acted otherwise than straight with my friends; an honest man is bound to do so.

I hope, in fact, you will come to Chahardawar and not disappoint us. Let me know beforehand, so that we may arrive simultaneously.

Baba Khan, Mutamid-us-Sultan, will give you all details.

P.S.—Though we are allies and everyone knows of it and the fact is not in question, yet, in order to strengthen the bonds of union and to prevent any discord, I have sealed a Koran with Amanullah Khan and sent it to you, so that we may be allies as long as we live, and be as one towards Government, State, and the tribes, and never disagree or act contrary to each other's advice. I hope this will continue to our descendants.

Enclosure 5 in No. 564.

Ghulam Riza Khan to Sardar Akram.

(Translation.)

(After compliments.)

April 24, 1911.

I HAVE received your letter, and am glad to hear of your health. The state of my province is excellent, to a certain degree. Jushmal Ali Mohammed delivered your message to me.

As regards Amanullah Khan, my son, for whom you desire an arrangement to give him ease and comfort, I appeal to your sense of justice in this matter. No guarantee in the world can be compared with an oath by Hazrat Amir (Ali) and the Holy Koran. Amanullah made a compact with me on the Koran, and did not even abide by his word for six months, but broke it at once. The Koran is in my possession. Ten times has he sworn, and four months have not elapsed before he has broken his word. The reason for his threats and faithlessness is this: that this young man has no settled purpose or fixed aim, but is under the influence of his entourage, who are instigating him for their own bad aims; besides, no one can act in conformity with the desires of ten persons.

As regards your suggestion that he should be given a district to control, you know Pusht-i-Kuh, and if you look at the revenue accounts you will see that he has already got a district and part of two others (Ahmad Khani and Haidar Khani), and has seized a lot of property from the Arkawaz tribe. In spite of this he is hungry, and there is no bread in his house; others have consumed his gains, and only an ill-name is left to him. For instance, the Arkawazis ran away, and sent me a Koran begging not to be given again into Amanullah's charge.

The Haidar Khani and Ahmad Khani tribes sent me a curse that I should not

give them into the charge of one of my own sons, except through the intermediary of myself or some one like me.

As for the Malik Shahi and Badrai tribes, I never have handed them over to anyone, and cannot, and will not.

You did not intervene between me and my son originally, and I am hurt at your doing so now. However, in consideration of your intervention, I am prepared to hand over to Amanullah those tribes which he had before, if he will be responsible for their revenue and tribal levies, and if he will give Baba Khan's brother as a security. On these conditions alone I will consent.

If you intervene actively in this matter, whether Amanullah agrees or not, be assured that if you take one step forward I shall take two, and there will be trouble between us.

If you help him in any way, you must be responsible for what happens. I let you know of this beforehand. I wish you nothing but good.

Enclosure 6 in No. 564.

Daoud Khan to Sardar Akram.

(Translation.)

May 2, 1911.

I HOPE you will come to Chahardawar. I shall be there. Amanullah is there and will meet you, and we will make an agreement.

I saw in a dream that Hazrat Abbas told A. Seyyid Murtaza, the key keeper, to give me a golden sword of honour. Five days ago a golden sword arrived for me from Kerbela, and I received it with great ceremony.

Assuredly this is a lucky omen.

Enclosure 7 in No. 564.

Amir Mufakham to the Vali of Pusht-i-Kuh.

(Translation.)

(Telegraphic.)

[Undated.]

I HAVE been entrusted with the Governor-Generalship of Luristan. I confirm the former friendship and brotherhood that existed between us, and beg to represent that the necessity of the moment is that we should all be united for the independence of the country. So I hope you will gird your loins and be faithful and not disappoint the Government and the Medjliss. In particular, as you and I have been friends of old, it is plain that, having put your territories in order, you should send an emissary to me at Burujird; as soon as I have arrived there and seen him I will do what is necessary.

Persons who help Government and give me promises and guarantees will be amply rewarded.

Give me early news of your affairs.

Note.—The above was sent by the vali to the Sardar Akram in original for the latter's information.

Enclosure 8 in No. 564.

Sardar Akram to Sheikh of Mohammerah.

(Rough translation.)

June 1, 1911.

MAY I be your sacrifice.

With great respect I make representation. After long time Mr. Wilson arrived here with your honoured letter. Its arrival was the occasion of pride and joy to me. I asked him of your affairs, and was delighted to hear of your high rank and prosperity.

You were so good as to enquire after my health. Praise be to God! I am in good state, and all my people and territories are in order. You were so good as to refer to unity and alliance, and to ask why I did not write to you. From such a mark of honour I have become most hopeful. Though we are far off in appearance, yet I look on you as near to me in aim; and you cannot imagine how happy I have been since your honoured letter arrived in these parts, with its mention of friendship and alliance.

I have several times written to you, but never got a reply. I am sure the letters never reached you; but it is for the great to enquire after the affairs of their friends. As the prophet says, "Noblesse oblige."

Praise be to God, for my alliance with you is in full rigour, and for some time I have been waiting for some token of your kindness, till an occasion arrives for you to put my sincerity to the test. Now that we have begun to correspond, Inshaallah, regularly, I am very grateful, and whatever your orders may be the word of union shall daily be strengthened.

I complied with your desires regarding the British consul, and did whatever he asked. Assuredly he is a great and good man, but in any case it is my duty to help your friends, whoever they are.

Send your orders through Mirza Ali Akbar, who is my dear friend.

[37336]

No. 565.

Sir G. Lowther to Sir Edward Grey.—(Received September 25.)

(No. 638.)

Sir,

Constantinople, September 19, 1911.

WITH reference to my despatch No. 623 of the 6th instant, I have the honour to forward herewith a despatch from His Majesty's acting consul at Bussorah, reporting on the situation on the Lower Euphrates and Tigris.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 565.

Acting Consul Matthews to Sir G. Lowther.

(No. 47.)

Sir,

Bussorah, August 26, 1911.

WITH reference to my despatch No. 39 of the 28th ultimo, I have the honour to report, for your Excellency's information, that the commission appointed to enquire into the recent disturbances in the Muntalik country has now visited Suk-as-Shuyukh, Nasirieh, and Maiah. It is reported that the Bedur tribe and the Ghazi tribe have promised to submit to the authorities and pay taxes in future. Early in August two nominal battalions of troops, about 450 men in all, arrived at Kurnah from Bagdad; at Kurnah barges had been prepared to convey them to Nasirieh. It is reported that the Dhaffir tribe was attacked near Khamisieh on the 14th instant by a force under Thamer and Hamud, sons of Saadun Pasha. Saadun's sons were defeated, losing their camels and tents, with thirty men killed and twenty wounded. The "Rosafa" and "Frat" are still on the Lower Euphrates, where they will have to remain until next spring, as the river has fallen.

The situation on the Lower Tigris (my despatch No. 43 of the 10th instant) is not satisfactory, and a renewal of the recent disorders is to be anticipated. Abdul Kerim-bin-Seihud's force is reported to have been augmented by contingents from the Amarah district. The situation is complicated by the fact that, about the 20th instant, a relative of Abdul Kerim assassinated a brother of Arabi, to whom the greater part of the Chuala Mukataa is farmed out by the authorities. The authorities appear to be procrastinating over Abdul Kerim's demands, and are making a serious mistake, unless they are prepared to deal effectively with Abdul Kerim should he renew his operations.

I received a letter to-day from Abdul Jebar El-Khedery, agent in Bussorah of Messrs. Andrew Weir and Co., of London, requesting me to transmit to the vilayet, on behalf of his principals, a demand for compensation for a lighter of barley, burned on the 6th instant, between Shatrat-al-Amarah and Ezra's Tomb, by followers of Abdul Kerim. The lighter contained 45 tons of barley, valued at 200*l*.

Messrs. Lynch Brothers' steamers, which convey the Bagdad mail to Bussorah, where it is transhipped into the British India steamers, have not yet been able to make up for the four days lost, the 3rd to 7th August. It appears probable that this week's mail, like the two preceding mails, will miss the connection, and will be delayed for a week at Bussorah.

I have, &c.

W. D. W. MATTHEWS.

[37341]

No. 566.

Sir G. Lowther to Sir Edward Grey.—(Received September 25.)

(No. 643.)

Sir,

Therapia, September 20, 1911.

THE Grand Vizier yesterday told me with evident gratification that his Government had received satisfactory replies from the Russian and German Governments with regard to the arrangement recently concluded between them regarding the Khanikin junction railway.

On the conclusion of the arrangement the Ottoman Government had called the attention of those Governments to the fact that, as the line in question was to be constructed on Ottoman territory, the exclusion of this Government from all participation in, and knowledge of, the arrangement seemed singular.

His Highness said that the Russian Government had replied that, as the German Government was giving the undertaking, referring presumably to those contained in article 1, they supposed that the Ottoman Government had been duly notified beforehand by that Government.

The German Government had, through its chargé d'affaires here, sent a note stating that, the line in question being Ottoman, they had had no intention in the smallest degree of encroaching on Ottoman sovereignty.

The "Tanin" has also mentioned the matter, and added that the omission to communicate the intention of the arrangement had been explained in the German note as being due to the absence of Herr von Kiderlen Waechter from Berlin at the time, but expressed the hope that such misunderstandings might not be repeated.

I have, &c.

GERARD LOWTHER.

[37575]

No. 567.

India Office to Foreign Office.—(Received September 25.)

Sir,

India Office, September 23, 1911.

IN reply to your letter, dated the 16th September, as to the reported intention of the American Presbyterian Mission in Persia to extend its activities to Afghanistan, I am directed to enclose, for the information of the Secretary of State for Foreign Affairs, copy of a telegram from the Government of India on the subject.

The Marquess of Crewe supports their proposal that Dr. Esselstyn should be given clearly to understand by His Majesty's Minister at Tehran that no responsibility can be accepted for what may befall him if he enters Afghanistan without the permission of the Ameer.

Lord Crewe is also in favour of the Government of India's further suggestion that a communication on the subject should be made, through His Majesty's Ambassador at Washington, to the head-quarters of the mission in the United States, should his Excellency see no objection, the form of the communication being left to Mr. Bryce's discretion. If such a communication be made, it might be explained to the mission that (as was stated in my letter to your address dated the 31st October, 1910), the Ameer strongly objects to the presence of European travellers in his country, and that his objections have always been recognised and respected by His Majesty's Government. It might be added, as illustrating the attitude of the British authorities on this point, that the Government of India would not allow a European traveller to cross the Indian frontier into Afghanistan except on production of a written permit from the Ameer to enter his dominions.

I am, &c.

R. RITCHIE.

Enclosure in No. 567.

Government of India to the Marquess of Crewe.

(Secret.)

(Telegraphic.)

September 16, 1911.

PLEASE refer to telegram No. 392 from Minister at Tehran to Foreign Office of 11th September.

I suggest that Dr. Esselstyn be clearly told that if he enters Afghanistan without

[1505] •

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permission of Ameer Government of India will accept no responsibility, whatever may befall him.

I believe mission to which he belongs is American, and, if this is so, the risks attending such a proposal might be explained at the head-quarters in the United States, with a request to direct him not to attempt to extend his work to Afghanistan. (Repeated to Tehran.)

[37616] No. 568.

Sir G. Barclay to Sir Edward Grey—(Received September 25.)

(No. 432.)

(Telegraphic.) Decode.

Tehran, September 25, 1911.

MY telegram No. 428 of 23rd September.

Naib Hussein has taken Kashan.

[37623] No. 569.

Sir G. Barclay to Sir Edward Grey—(Received September 25.)

(No. 433.)

(Telegraphic.) R.

Tehran, September 25, 1911.

MINISTER for Foreign Affairs informs me that Farman Farma has been appointed Governor of Fars, and that a local committee is to be appointed to govern pending Governor-General's arrival.

Meanwhile there is still no authority at Shiraz, and there are no signs of Soulet and Nizam acquiescing in Government's decision.

Conflicts between rival tribesmen occur daily, and Kashgais are committing excesses in town and outskirts.

Kawam's tribesmen and other armed dependents in the town number 2,000; other party number 1,300.

[37426] No. 570.

Sir G. Barclay to Sir Edward Grey—(Received September 25.)

(No. 434.)

(Telegraphic.) P.

Gulahek, September 25, 1911.

SALAR-ED-DOWLEH.

It is probable that fighting, which is anticipated to-morrow, will prove decisive, as a force of considerable strength, commanded by Ypiem and Sardar Bahadur, and accompanied by four guns, was dispatched yesterday against Salar-ed-Dowleh from Tehran.

We should be placed in a difficult position were his Highness to prove victorious. Under such circumstances, Russian Minister would be anxious to persuade Salar-ed-Dowleh to open negotiations while remaining some distance from Tehran. Unless I receive instructions to the contrary I shall join M. Poklewski in these representations, as I share his views on the subject.

[37426] No. 571.

Sir Edward Grey to Sir G. Barclay.

(No. 277.)

(Telegraphic.) P.

Foreign Office, September 25, 1911.

I APPROVE proposal that you and Russian Minister should, if Salar-ed-Dowleh be victorious, endeavour to induce him to remain at some distance from Tehran as proposed in your telegram No. 434 of to-day.

[37321]

No. 572.

Sir Edward Grey to Sir G. Barclay.

(No. 279.)

(Telegraphic.) P.

Foreign Office, September 25, 1911.

ON receipt of your telegram No. 430 of yesterday I addressed my telegram to Sir G. Buchanan, No. 559 of to-day, instructing him to inform Russian Government of our intentions in regard to escorts proposed in your telegram No. 401 of the 14th September.

India Office has been asked to assent to increases in principle and to get men ready.

I am prepared to take any measures short of a military expedition.

[37062]

No. 573.

Sir Edward Grey to Sir G. Buchanan.

(No. 556.)

(Telegraphic.) P.

Foreign Office, September 25, 1911.

SELIGMAN loan.

In view of Mr. Shuster's intentions, reported in Sir G. Barclay's telegram No. 418 of the 21st September, I hope for early reply from Russian Minister for Foreign Affairs as to views of his Government, and should be glad to know when he is likely to be able to consult the Minister of Finance, as promised in your Excellency's telegram No. 222 of the 20th September.

[37321]

No. 574.

Sir Edward Grey to Sir G. Buchanan.

(No. 559.)

(Telegraphic.) P.

Foreign Office, September 25, 1911.

IT was suggested by His Majesty's consul-general at Bushire, as reported in Sir G. Barclay's telegram No. 401 of the 14th September, that, among other measures, we should establish a vice-consulate at Bam with an adequate escort, and that the escorts at five other posts, including Ispahan, which is in the Russian sphere, should be increased.

Inform Russian Government as soon as possible that these steps may be necessary, and that we hope they will offer no objection to the increase of the escort at Ispahan, which is requisite for the efficacy of the scheme. There would be 200 additional men at Bam and Shiraz and 100 at the rest.

His Majesty's Government are anxious to avoid any military occupation in the southern provinces entailing use of large force, and the above is the least measure possible. Our only object is to protect British trade, which has suffered such heavy losses.

[37750]

No. 575.

Sir Edward Grey to Mr. O'Beirne.

(No. 250.)

Sir,

Foreign Office, September 25, 1911.

WITH reference to my telegram No. 559 of to-day's date, I have to inform you that I told Count Benckendorff to-day that there were most serious complaints of the way British trade was blocked in South Persia. Russia had sent troops into Northern Persia and kept the roads open there, and presumably Russian trade gained something of what we lost by the fact that southern trade routes were blocked. I was nevertheless reluctant to send a military force into Persia; we could not do it so easily as Russia had done—our force must go by sea. But I was proposing to increase our consular escorts in the south, and we might do this also at Ispahan, which was just in the Russian sphere of interest. I was telegraphing to explain the position at St. Petersburg. Count Benckendorff said he supposed it was the increase of an existing guard at Ispahan that was contemplated, and I said this was so.

I am, &c.
E. GREY.

[37751]

No. 576.

Sir Edward Grey to Mr. O'Beirne.

(No. 251.)

Sir,

Foreign Office, September 25, 1911.

I TOLD Count Benckendorff to-day that Mr. Shuster was pressing the British Legation at Tehran for a reply about the Seligman loan. We were waiting for the opinion of the Russian Government, and I hoped it would be given soon. I believed Mr. Shuster was in communication with M. Poklewski. Count Benckendorff said he believed M. Poklewski was favourable to the principle of the loan.

I am, &c.
E. GREY.

[37633]

No. 577.

Sir T. Jackson to Mr. Mallet.—(Received September 26.)

*Imperial Bank of Persia, 25, Abchurch Lane,
London, September 22, 1911.*

Dear Mr. Mallet,

I HAVE had the within extracts copied for your information. I think you will be glad to have them.

In Mr. Wood's letter of the 6th instant (Enclosure 3) you will notice what he thinks of further alienating the southern customs, "thus cutting off in the meantime the already slender means of borrowing for current expenditure."

In his letter of the 30th August, he says:—

"The object of the new loan is to pay off the Russian Bank's consolidation, and to employ the remainder in productive works only."

After the proposed loan they (the Persian Government) would be as hard up as ever for funds, which we would not be in a position to supply them with.

Very truly yours,
T. JACKSON.

Enclosure 1 in No. 577.

*Extract from Confidential Letter from the Imperial Bank of Persia, Tehran, to
London Office, dated August 30, 1911.*

Four Million 5 per cent. Sterling Loan.—I enclose copy of clauses 22 to 25 of the proposed contract of the Seligman loan. This was given to Brown (Imperial Bank of Persia) by Mr. Shuster, as a suggestion for similar conditions, to be embodied in any railway or other concessions. The clauses have evidently been framed by Mr. Shuster himself. I spoke to him on the subject of this loan, and received assurances that if it is floated the money will be transferred from London through us in the same manner in which we transferred the proceeds of our own loan.

The object of the new loan is to pay off the Russian Bank's consolidation, and to employ the remainder in productive public works only. The security will be the receipts of the northern customs and the inland revenues, but as the scheme does not appear to offer any particular attractions for Russia, and as Mr. Shuster is not agreeable to accept less than 87½ net, I do not think there is any likelihood of the affair coming off in the near future. Viewed as a whole, it looks like a suggested cure dependent upon so many favourable conditions that it may never materialise.

Enclosure 2 in No. 577.

Extract from Seligman's proposed Loan Contract for 4,000,000l.

22. The Imperial Government of Persia agrees that during the continuance of this loan the office of the treasurer-general of Persia as existing prior to the 27th day of June, 1911, shall be maintained, and the powers and duties thereof shall not, during the period of the loan, be diminished, except with the consent of the contractors.

The said office of treasurer-general shall not be held by anyone except a citizen of the United States of America, or a subject of a European Power, in the former case to be approved by the Government of the United States, in the latter case by the Government of the European State of which he may be a subject or citizen, and approved by the Imperial Government of Persia.

23. In order to facilitate and increase the guarantees heretofore pledged for the repayment of this loan, and to secure proper supervision and control of the expenditure of the surplus thereof, it is hereby agreed by the Imperial Government of Persia that the following organisation of the personnel of the treasurer-general's staff shall be authorised:—

(a.) The present incumbent of the post of treasurer-general shall have the right to a renewal of his contract for a further period of three years from date of expiration thereof, on such additional terms as may be agreed upon between him and the Imperial Government of Persia, provided, however, that nothing herein contained shall be construed to prevent any other or additional contract which, in the meantime, the Imperial Government of Persia may desire to make with the present treasurer-general.

(b.) The following positions and contracts for a period of six years each for members of the staff of the treasurer-general, to be selected by him, are hereby authorised:—

One assistant treasurer-general at a salary of 1,500l. per annum.

One administrator-general of the Maliat at 1,250l. per annum.

One assistant administrator at 900l. per annum.

One chief auditor and accountant at 1,200l. per annum.

One assistant auditor and accountant at 850l. per annum.

One administrator-general in charge of loan and fiscal operations at 1,200l. per annum.

One assistant administrator at 850l. per annum.

All expenditure of the surplus arising from the loan shall be made by the treasurer-general for the productive public works and purposes mentioned in the preamble of this contract upon the authorisation of the Persian Medjliss, and with the consent of the representative of the contractors hereinafter provided for.

24. It is hereby agreed that, during the actual period of expenditure, the contractors may appoint and maintain at Tehran a representative of their interests, whose sanction shall be necessary for the expenditure of the surplus arising from the loan which may be approved by the Persian Medjliss. The salary of such representative is hereby fixed at 1l. per annum, to be borne by the Imperial Government of Persia.

25. All salaries authorised by the present paragraphs of this contract are hereby made a first charge on the receipts and portions of receipts hereinbefore pledged to guarantee the repayments of the loan, provided that all other loan charges shall have been first paid therefrom.

Enclosure 3 in No. 577.

*Extract from Confidential Letter from the Imperial Bank of Persia, Tehran, to
London Office, dated September 6, 1911.*

Proposed Loan of 4,000,000l.—I confirm separately the telegrams exchanged on this subject, and note that the board take the same view as we do here. I thought it advisable to send you a second telegram yesterday, as your message did not indicate that you realised how far negotiations had progressed. I do not understand why Mr. Shuster should agree to a loan of this nature, the proceeds of which must be used for reproductive public works only, which would take some considerable time to develop, thus cutting off in the meantime the already slender means of borrowing for current expenditure.

The programme in connection with proceeds of our loan has practically been abandoned, and I understand that Mr. Shuster has asked the Medjliss to pass a measure to that effect in order to enable him to meet the unforeseen requirements brought about by the return of the ex-Shah. This will give the Government about 650,000 taels to go on with, but when that is finished they will be compelled to borrow again. In the

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meantime, there is no prospect of the inland revenues producing anything so long as there is no force to carry out the law. The Stokes affair still remains in abeyance, and is doubtless held up by Russia in the hope that it will soon be wiped out along with the constitution.

Enclosure 4 in No. 577.

Extract from Confidential Letter from the Imperial Bank of Persia, Tehran, to London Office, dated September 9, 1911.

Proposed Loan of 4,000,000l.—I am much obliged for your wire received this morning. It is only the surplus of the southern customs which is asked for, but that makes no difference, as we are concerned with the whole.

The Persian Government appear to be in communication with some person called Lewison with regard to a large loan. I have not yet been able to locate who this individual is, but think he may be connected with the group represented here by Mr. Hart; if so, I am not inclined to attach much importance to the matter. That telegrams have been exchanged in this respect, however, is quite true, as my source of information is reliable.

Enclosure 5 in No. 577.

Extract from Confidential Letter from the Imperial Bank of Persia, Tehran, to London Office, dated August 5, 1911.

Seistan.—It appears that the Russian Bank does no business in Seistan, and only has a cashier there for the purpose of receiving customs moneys and transmitting them to Meshed. This individual has caused us a great deal of trouble by refusing to accept the local currency, which was good enough for the place until he went there. He demands payment in picked coin in order to send it to Meshed for export to Transcaspiia, where nothing but the best will pass. As the bank would not agree to this he declined to accept our notes, and induced the merchants to follow suit, thus causing considerable inconvenience to business generally. From the enclosed copy of my letter of the 3rd instant to the treasurer-general you will notice that I have applied for the Seistan customs receipts to be hypothecated to the bank and paid into our office there. This ought to remove the difficulty, and perhaps the Russian cashier also. Mr. Shuster has already instructed Mr. Mornard regarding the Seistan receipts, and will reply to my letter to-day.

Enclosure 6 in No. 577.

Imperial Bank of Persia (Tehran) to Mr. Morgan Shuster.

Dear Sir,

Tehran, August 3, 1911.

IN view of the Government's heavy overdraft and the paucity of receipts from general revenues, we think it is not unreasonable for the bank to ask for some additional security to that already allocated. I therefore beg that the Government now hypothecate to the bank the customs receipts of Seistan and instruct the customs administration to pay such receipts into the bank's office in that province for transfer to the central treasury here.

Referring to your letter of the 16th June last, by virtue of which the "excess customs revenues of the southern ports" are hypothecated as security for an advance of 500,000 taels, it is understood that the expression "excess customs receipts" means a first charge on the surplus remaining after the interest, amortisation, and prior charges referred to in the loan contract, dated the 8th May, 1911, are met.

With regard to the rate of interest to be charged on the above-mentioned overdraft, I am instructed by the Board of Directors that this is to be 7 per cent. per annum.

Yours faithfully,

A. O. WOOD, Chief Manager.

Enclosure 7 in No. 577.

Mr. Morgan Shuster to Imperial Bank of Persia (Tehran).

Gentlemen,

Tehran, August 5, 1911.

REPLYING to your letter of the 3rd instant, stating that, in view of the Government's heavy overdraft and the paucity of receipts from general revenues, you think that it is not unreasonable for the bank to ask for some additional security to that already allocated, I beg to state that you may henceforth consider the Seistan customs receipts as additional security to that mentioned in my letter of the 16th June last for the said overdraft until the same shall have been extinguished. I will immediately instruct the Administrator-General of Customs to pay these receipts directly into the branch of the Imperial Bank there.

Regarding the second paragraph of your said letter, expressing your understanding to the effect that "excess customs receipts" means a first charge on the surplus remaining after the interest, amortisation, and prior charges referred to in the loan contract, dated the 8th May, 1911, are met, I beg to state that such is my understanding of the phrase.

Very truly yours,

W. MORGAN SHUSTER,

Treasurer-General of Persia.

Enclosure 8 in No. 577.

Extract from Confidential Letter from the Imperial Bank of Persia, Tehran, to London Office, dated September 6, 1911.

Seistan.—I don't know yet how this will pan out. After assigning the Seistan customs receipts to us, Mr. Shuster showed me a copy of the Banque d'Escompte's consolidation agreement, whereby "all the customs receipts of Persia, except those of Fars and the Gulf ports," are hypothecated to Russia. I informed Sir George Barclay about the Seistan receipts, and the reason why I asked for them, and he also pointed out that they are already under lien to Russia! It seems strange that this should have been permitted, seeing that Seistan is in the British sphere, and that all goods which pay duty enter that place from the south. So far, no question has been raised on Mr. Shuster's action in ordering all Seistan receipts to be paid to us, but if any objection is made and calls for reference to the Foreign Office I will not fail to let you know at once.

Enclosure 9 in No. 577.

Extract from Confidential Letter from the Imperial Bank of Persia, Tehran, to London Office, dated September 9, 1911.

The Mint.—I have no reason to suppose that the present arrangement will be disturbed; in fact, Mr. Shuster desires to renew our contract for a number of years.

Enclosure 10 in No. 577.

Extract from Confidential Letter from the Imperial Bank of Persia, Tehran, to London Office, dated September 9, 1911.

Crown Jewels.—Considerable uneasiness is felt regarding the safety of these jewels, all of which are now deposited in the Government treasury. Mr. Shuster has asked me to take charge of them, and proposes that an inventory be made in the presence of the Cabinet, himself, and myself, and the jewels handed over on the written understanding that they can only be withdrawn by sanction of the Medjliss, and under the hand and seal of certain officials named.

[37761]

No. 578.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 435.)

(Telegraphic.) R.

Tehran, September 26, 1911.

MY telegram No. 148 of 1st May.

Minister for Foreign Affairs informs Russian Minister and me that Porte is prepared to accept Persian amendments to protocol and is pressing for signature, but Porte refuses to agree to withdraw Turkish troops as a condition precedent to discussions, though hinting at possibility of some show of friendship on this question when discussions are begun.

Minister for Foreign Affairs is rather inclined to give way, but asks our advice, and seems ready to follow it if we can present a definite programme privately to him.

We have communicated to him privately enlarged bases of discussion indicated in Sir G. Buchanan's telegram No. 99 of 6th May, and have told him we would ask permission of our Governments to recommend these more formally, and that we would at the same time enquire as to their opinion on the question of troops.

It might be well to advise Minister for Foreign Affairs to waive question of troops as a condition precedent provided Porte accepts the wider bases, but, as complete waiving of stipulation regarding troops would weaken any future representations of the two Powers in Constantinople as to presence of Turkish troops in Persia, it might be well to advise Minister for Foreign Affairs, while not insisting on withdrawal of troops as a preliminary condition, to express hopes that they will soon be withdrawn, and to reserve right as to further representations on this point in the future.

We have reason to think that the Persian Government, pending our advice, will maintain their standpoint about troops, and will intimate to Porte that they will make fresh proposals. Russian Minister is reporting to his Government in the above sense.

[37756]

No. 579.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 436.)

(Telegraphic.) R.

Tehran, September 26, 1911.

MY telegram No. 432.

Naib Hussein has captured ten Russian cossacks and is detaining them at Kashan, using them as hostages to exact compliance to certain demands which he has made to Persian Government.

[37757]

No. 580.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 437.)

(Telegraphic.) R.

Tehran, September 26, 1911.

FOR some days past Yezd has been in the hands of mob. Several officials are in bast at vice-consulate.

Persian Government look to newly appointed Governor of Kerman to restore order as he passes through Yezd.

[37755]

No. 581.

Sir G. Barclay to Sir Edward Grey.—(Received September 26.)

(No. 438.)

(Telegraphic.) P.

Gulahek, September 26, 1911.

MR. NEW. Reference to my despatch No. 122 of 15th July.

It seems extremely probable that treasurer-general will at no distant date prove successful in obtaining from the Medjliss the acceptance of a contract for the loan of the services of an official of the Indo-European Telegraph Department.

My Russian colleague, whose view will, I earnestly hope, be shared by Russian Government, sees no objection to proposal.

Temporary Director of Indo-European Telegraph Department proposed, as on a former occasion (please see St. Petersburg telegram No. 11 of 11th January, 1910), to offer the services of Mr. New.

[37759]

No. 582.

Sir G. Buchanan to Sir Edward Grey.—(Received September 26.)

(No. 227.)

(Telegraphic.) P.

St. Petersburg, September 26, 1911.

PERSIA: Southern roads.

M. Nératof, to whom I to-day handed an *aide-mémoire* on the subject of the proposed increase of consular guards, &c., in the sense of your telegram No. 559 of the 25th September, said that his Government would have no objection to any of the measures which His Majesty's Government propose to take.

[37760]

No. 583.

Mr. O'Beirne to Sir Edward Grey.—(Received September 26.)

(No. 228.)

(Telegraphic.) P.

St. Petersburg, September 26, 1911.

PERSIA. M. Nératof referred to-day in conversation to the question of Major Stokes's appointment.

M. Nératof intimated that the objections of his Government to the employment of Stokes for the organisation of any sort of gendarmerie force in Tehran were insurmountable, even if the appointment were to be for a short period only. Such an appointment would necessarily give Stokes the temporary command of a considerable body of men in the capital itself.

At the same time I gathered that, in the event of the scheme for employing Swedish officers to organise the gendarmerie falling through, it was possible that no objection might be raised by the Russian Government to the organisation of a force by Stokes at Ispahan or in the neighbourhood of that place, on the condition, of course, that the command of any portion of such a force to be employed in Northern Persia should be given either to Persian officers or to the officers of some neutral Power. I am not in a position to form any opinion as to the practicability of such a scheme.

[37224]

No. 584.

Sir Edward Grey to Sir G. Barclay.

(No. 280.)

(Telegraphic.) P.

Foreign Office, September 26, 1911.

I HAVE considered apprehensions suggested in your telegram No. 424 of the 23rd September, but would not undertaking given in Persian note of the 23rd October, 1907, that southern customs would never be placed under foreign supervision or control, cover administration of those customs by foreign lenders or for their benefit, and enable us, taken in conjunction with our first option for foreign loans, to obviate the danger? (See note to Persian Government of the 31st August, 1907.)

[37321]

No. 585.

Foreign Office to India Office.

Sir,

Foreign Office, September 26, 1911.

I AM directed by Secretary Sir E. Grey to transmit to you herewith, in reference to the letter addressed to you from this Office on the 19th September, copies of Sir G. Barclay's telegram No. 430 of the 24th September, and of Sir E. Grey's telegram to Sir G. Buchanan, No. 559 of the 25th September, on the subject of the

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increase of consular escorts in Persia proposed in Sir G. Barclay's telegram No. 401, copy of which I also transmit for convenience of reference.*

I am to request that you will be good enough to lay this correspondence before the Secretary of State for India. Secretary Sir E. Grey trusts that the Marquess of Crewe will see his way to assent in principle to the proposed increase, and to give the necessary orders for holding the additional men in readiness.

I am, &c.
F. A. CAMPBELL.

[37868]

No. 586.

Sir G. Barclay to Sir Edward Grey.—(Received September 27.)

(No. 439.)

(Telegraphic.) R.

Tehran, September 27, 1911.

SHIRAZ.

Local bank manager applied, with my authorisation, to Soulet-ed-Dowleh for an escort for some specie urgently required at Ispahan. Soulet replied that he must wait to see what effect present situation has on state of road before complying.

He added that he had resigned all connection with Bushire road.

Acting consul reports road is dominated by a rising Kashgai chief.

[37870]

No. 587.

Sir G. Barclay to Sir Edward Grey.—(Received September 27.)

(No. 440.)

(Telegraphic.) R.

Tehran, September 27, 1911.

WILSON has reached Shiraz on conclusion of survey mentioned in first paragraph of Cox's despatch of 2nd October last to Government of India.

He was robbed of everything and roughly handled by Kashgais at Puli Fesa. He was detained there a night, but after reference to Soulet orders were given for restitution of all his belongings, which were almost all restored, and Kashgais escorted him to consulate. He states that on last stage of road, Kashgais were pillaging villagers without mercy, and committing every excess. I am consulting His Majesty's acting consul as to compensation to be demanded.

[37863]

No. 588.

Sir G. Barclay to Sir Edward Grey.—(Received September 27.)

(No. 441.)

(Telegraphic.) Decode.

Tehran, September 27, 1911.

ACTING consul at Shiraz reports that Soulet is now installed in Government House with late governor.

[37871]

No. 589.

Sir G. Barclay to Sir Edward Grey.—(Received September 27.)

(No. 442.)

(Telegraphic.) R.

Tehran, September 27, 1911.

MY telegram No. 435 of 26th September.

Before dispatching his identic telegram Russian Minister received a visit from Minister for Foreign Affairs, who said that he preferred to leave basis of discussion as it stands in amended protocol. He says that document mentioned in Sir G. Buchanan's telegram No. 99 of 6th May can be used in argument (see second sentence, paragraph 4 of my telegram No. 148 of 1st May), but to specify them as bases of discussion might prejudice Persian case—treaty of 1869 rather tells against Persia—and might preclude use of other documents, e.g., reports of two delegates on recent frontier mission.

Minister for Foreign Affairs is disposed to reply that, Porte not having consented

* Nos. 493, 548, 572, and 574.

to withdraw troops, Persian Government reserve their right to press for withdrawal, but are prepared to proceed with commission on basis of amended protocol, provided that period for sittings is limited to three months, and that the questions left to be settled must then be submitted *en bloc* to The Hague Tribunal.

His Excellency suggested as an alternative reply: Porte to propose that whole question should go before Hague Tribunal at once.

He is anxious to reply as soon as possible, as he is being much pressed by the Ambassador, but he awaits our advice as to which reply he should send, as he does not wish to answer without advice of the two Powers.

(Repeated to St. Petersburg.)

[37869]

No. 590.

Mr. O'Beirne to Sir Edward Grey.—(Received September 27.)

(No. 229.)

(Telegraphic.) P.

St. Petersburg, September 27, 1911.

SELIGMAN loan. Your telegram No. 556 of the 26th September.

M. Nératof told me to-day that he had written some days ago to the Minister of Finance on the above subject, but had not yet received a reply. He supposes that the Ministry of Finance have had to refer the matter to the Russian Bank at Tehran, and that it must be some time before the bank's views can be ascertained. He promised me that he would shortly address another enquiry to the Minister of Finance on the subject.

[37759]

No. 591.

Sir Edward Grey to Sir G. Barclay.

(No. 281.)

(Telegraphic.) P.

Foreign Office, September 27, 1911.

DOES the suggestion in your telegram No. 430 of the 24th instant mean that, in your opinion, there is only immediate necessity for increased escorts for three consulates mentioned, and that we should defer other steps? Until the Government of India formally approve the scheme no announcement can be made.

[37755]

No. 592.

Sir Edward Grey to Mr. O'Beirne.

(No. 566.)

(Telegraphic.) P.

Foreign Office, September 27, 1911.

PRAY express our hope that Russian Government will assent to scheme for obtaining services of telegraph department official referred to in Sir G. Barclay's telegram No. 438 of yesterday.

[37322]

No. 593.

Sir Edward Grey to Mirza Mehdi Khan.

Sir,

Foreign Office, September 27, 1911.

IN reply to your note of the 16th instant, respecting the arrest of the Sarhaddar at Bandare Gez, I have the honour to inform you that that official, with his retainers, is stated by the Russian Minister at Tehran to have fired on and robbed some Russian subjects, and to have declined the summons of the Astrabad authorities to present himself for enquiry into the matter. The Russian consular agent, acting under orders from the Russian consul at Astrabad, then arrested the offender, and handed him over to the Astrabad authorities. The Russian Minister adds that the Sarhaddar's band, who are not leading merchants, were sent to Ashurada, where they were to be detained until the enquiry is held.

I am, &c.
E. GREY.

[37883]

No. 594.

Sir G. Barclay to Sir Edward Grey.—(Received September 28.)

(No. 444.)

(Telegraphic.) P.

Gulahek, September 28, 1911.

FOREIGN loans.

In reply to your telegram No. 280 of the 26th September, I have the honour to state that I agree that supervision or control is clearly precluded by Persian Government's note of the 23rd October, 1897, but it was not the danger of administration of southern customs by any foreign Power that I apprehended, and which I presume we should resist even in the absence of any undertaking against it, but the fact that the partial securing of any loan floated abroad on the southern customs would at any rate afford the foreign Power more *locus standi* in Gulf politics than it possesses to-day.

The undertaking does not appear to me to preclude administration for the benefit of foreigners in the same manner as the southern customs are at present administered for the benefit of our Government loan and the Imperial Bank's loan, and we therefore have to fall back on Spring-Rice's note of the 31st August, 1907, and on our joint note of the 7th April, 1910, to prevent the surplus of the southern customs being pledged to a foreign group.

I cannot say how far Spring-Rice's note would guard us against a loan on the Seligman lines if the opposition of the two Powers forced Seligman to retire from the field. Again, with regard to our joint note of the 7th April, 1910, I have always thought that we should find it difficult to insist that a third party should not acquire the unpledged surplus of one of the revenues pledged to us provided that a British group had been offered the surplus in question and had rejected it.

My objection disappears if you consider that we could still insist on the first clause of our joint note under reference after the surplus of the southern customs has been refused as security by a British group at the instance of His Majesty's Government.

[37989]

No. 595.

Sir G. Barclay to Sir Edward Grey.—(Received September 28.)

(No. 445.)

(Telegraphic.) P.

Gulahek, September 28, 1911

SOUTHERN roads.

Reference to your telegram No. 281, dated the 27th September.

It was not my intention to suggest that the additional escorts were not urgently needed also at Kerman, Bunder Abbas, and Bam. I wished to convey that affairs at Shiraz render it particularly desirable that the escorts should be dispatched to the three places named as soon as possible after our intention has been made public.

[37994]

No. 596.

Sir G. Barclay to Sir Edward Grey.—(Received September 28.)

(No. 447.)

(Telegraphic.) Decode.

Tehran, September 28, 1911.

MY telegram No. 434 of yesterday.

Government forces completely defeated Salar-ed-Dowleh south of Zarand. Salar's forces reported to be full flight.

[33131]

No. 597.

India Office to Foreign Office.—(Received September 29.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 28th September, 1911, relative to the reinforcement of the Shiraz consular guard.

India Office, September 29, 1911.

[38145]

No. 599*.

Sir G. Barclay to Sir Edward Grey. — (Received September 29.)

(No. 451.)

(Telegraphic.) P.

Tehran, September 29, 1911.

SITUATION at Shiraz.

His Majesty's acting consul at Shiraz telegraphs as follows (No. 320 of the 28th September):—

"An attempt is now being made by Soulet-ed-Dowleh to exact forced contributions from the merchant classes as payment for the so-called protection he has afforded them. In this connection one prominent townsman has already been beaten, and blackmail is being openly levied on the leading Persian merchants.

"Soulet has treated the warning conveyed to him with the utmost contempt, and I cannot disguise the deplorable impression which our seeming unwillingness to enforce re-establishment of order and our inability to shield from outrage that particular class which has always been friendly to us, and with whose interests our own are most closely connected, have created throughout Fars.

"Removal of Soulet and Kashgai tribesmen from Shiraz can alone relieve the situation. If this chief cannot speedily be brought to reason I believe that the near possibility of direct damage to our interests must perhaps be contemplated, and that we must be prepared to resign what remains of our previous influence in Fars after so long tolerance."

Following are Colonel Cox's comments on above (Bushire telegram No. 241 of the 28th September):—

"Mr. Acting Consul Knox's telegram No. 320 of the 28th September.

"I venture to submit that some immediate overt action on the part of His Majesty's Government is demanded. If Government still refuse to consider effective intervention in the face of any provocation, the immediate dispatch to Shiraz of 300 sowars and the public announcement of our intention appears to be the only course open. Soulet might be influenced by this increase of guard necessitated by the pitch of anarchy now reached by conditions in Shiraz. I would, however, deprecate altogether throwing down the glove to Soulet if we are not prepared to intervene effectively if necessary. Should you consider that any useful purpose could thereby be served, and see no objection to such a step, I am in a position to telegraph personal remonstrance to Soulet and advice to leave Shiraz."

I have approved proposal contained in final sentence of Colonel Cox's telegram.

[38137]

No. 599*.

Sir G. Barclay to Sir Edward Grey.—(Received September 29.)

(No. 450. Secret.)

(Telegraphic.) P.

Gulahek, September 29, 1911.

REFERENCE to my telegrams Nos. 407 and 443 dated the 18th September and the 28th September respectively.

Persian railway syndicate have, I understand, agreed to insert the stipulation, somewhat modified, for the maintenance of the office of treasurer-general.

It is stipulated that treasurer-general shall be approved by His Majesty's Government, as also by the Government of the country to which he belongs.

[1505]

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[Enclosure in No. 597.]

Government of India to the Marquess of Crewe.

(Telegraphic.) P.

September 28, 1911.

REINFORCEMENT of consular guard at Shiraz. See your telegram dated the 25th ultimo.

Resident, Bushire, was directed, in accordance with your instructions that, provided so small a party could proceed with safety, arrangements should be made to dispatch twenty-two additional men in charge of Lieutenant Noel, second assistant in the residency, to Shiraz. Resident has not yet considered it advisable for party to proceed, owing to insecurity of roads and situation at Shiraz. In the circumstances, we have decided, with resident's concurrence, to dispatch half-company of 7th Rajputs, under British officer, immediately to Bushire, in readiness for early relief of detachment at Shiraz on occurrence of opportunity, the whole of the escort at Shiraz being due for relief in ordinary circumstances at the end of next month.

[3002]

No. 598.

Sir G. Barclay to Sir Edward Grey.—(Received September 29.)

(No. 448.)

(Telegraphic.) Decode.

Tehran, September 29, 1911.

SHIRAZ.

Soulet bombarded Kawami quarter 27th September. There was some sharp fighting, in which Kashgais appear to have suffered heavily.

[38136]

No. 599.

Sir G. Barclay to Sir Edward Grey.—(Received September 29.)

(No. 449.)

(Telegraphic.) P.

Gulahek, September 29, 1911.

SITUATION at Shiraz.

Reference to my telegram No. 413 of the 19th September.

Mr. Knox reports that Soulet-ed-Dowleh replied to my warning by professing his peaceable intentions and his attachment to His Majesty's Government. He requested that he might always be addressed through the Karguzar in future.

Mr. Knox is informed on good authority that my communication was received by Soulet with marks of contempt.

[38296]

No. 600.

India Office to Foreign Office.—(Received September 30.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Government of India, dated 30th September, 1911, relative to the proposed increase of consular escorts in Persia.

India Office, September 30, 1911.

Enclosure in No. 600.

Government of India to Marquess of Crewe.

(Telegraphic.) P.

September 30, 1911.

PLEASE refer to your telegrams dated the 25th and 27th instant.

Scheme of resident, Persian Gulf, for protection of trade caravans, as defined in telegram No. 401 from His Majesty's Minister, Tehran, has received our careful consideration. Dispatch of two regiments of native cavalry, to be distributed in

[1505]

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manner shown below, would, in opinion of our military advisers, be preferable course.
Proposed distribution—

1. Kerman area: Two squadrons and head-quarters at Bam with new vice-consulate, one squadron at Kerman and one at Bunder Abbas.
2. Shiraz area: Two squadrons and head-quarters at Shiraz and one squadron each at Ispahan and Bushire.

Only a small addition to proposal of resident is entailed. Orders for men to be held in readiness are being issued. Heavy cost will be involved, as troops seem likely to be required for one or two years, and possibly for longer period. It will be necessary to provide barracks or shelters and stabling, as existing accommodation is non-existent at places indicated. Full complement of mules must be taken from India by regiments. We trust that Imperial Exchequer will agree to bear not less than two-thirds of entire cost, in view of the predominance of British trade, and of inevitable necessity, once protective measures are undertaken, for foreign as well as British and Indian trade to be protected.

As regards squadrons proceeding to Shiraz and Ispahan from Bushire, no great difficulty in regard to supply and transport is anticipated; but it will probably be necessary to make extensive arrangements for squadrons proceeding to Kerman and Bam from Bunder Abbas, and instructions should be sent to resident at earliest possible moment immediately it is decided to dispatch troops.

It is pointed out by the military authorities that our political responsibilities will be increased by addition of travelling escorts of cavalry, unless it is held that no cause for punitive expeditions will be regarded as being afforded by attacks on these escorts, but that reprisals of another kind, such as fine, &c., will be the punishment for such attacks. It is useless to close our eyes to the fact that, although in principle a decision in this sense may be accepted, punitive measures would be entailed, if only to keep roads open, if a powerful tribe were successfully to attack and destroy a convoy. We cannot overlook these risks, and must deal on its merits with each case.

Military measures in the interior of Persia, costly in themselves, for a period the duration of which cannot be foreseen, are entailed by the proposal. Conflict between our officers and men and local administration is not unlikely to ensue from these measures. Hitherto our policy has been to confine our efforts to the maintenance of order in the ports of the Persian Gulf by naval action and by occasionally disembarking troops or sailors temporarily to protect British residents and interests at ports in question. As Sir G. Barclay points out, events in Shiraz may be precipitated by the policy now advocated, our responsibilities in the interior will undoubtedly be extended, and a military occupation of Southern Persia, a measure which we believe there is every desire on the part of His Majesty's Government to avoid, might in certain circumstances result. We have thought it our duty in any case to point out clearly the risks involved, though we presume that His Majesty's Government, by whom this preliminary step is being pressed on, cannot have overlooked such contingencies.

[38186]

No. 601.

Sir G. Barclay to Sir Edward Grey.—(Received September 30.)

(No. 453.)

(Telegraphic.) P.

Gulahek, September 30, 1911.

INCREASE of Shiraz consular escort. Reference to my telegram No. 440 of 27th September.

Mr. Knox suggests that Lieutenant Wilson should be entrusted with the arrangements for quarters, fodder, &c., for the additional men.

The idea seems a good one, and I am instructing Mr. Knox to detain Wilson at Shiraz until a decision respecting escorts is come to. Acting consul apprehends that prices will be raised by the news of the impending arrival of the reinforcements, and money could be saved if he were authorised to start arrangements before the dispatch of additional sowars becomes known.

[38324]

No. 602.

Sir G. Barclay to Sir Edward Grey.—(Received September 30.)

(No. 454.)

(Telegraphic.) R.

Tehran, September 30, 1911.

MY telegram No. 448 of 29th September.

Acting consul reports that 1,500 tribesmen have arrived to reinforce Kawami party. They have driven all Kashgaris from entrenchments outside the town and have occupied some of latter's stronger positions in Shiraz.

Soulet has sent to Kawami to sue for peace.

[38301]

No. 603.

Sir G. Barclay to Sir Edward Grey.—(Received September 30.)

(No. 455.)

(Telegraphic.) P.

Gulahek, September 30, 1911.

I AM informed by Ala-ed-Dowleh that his friends the Bakhtiari Khans are pressing him to accept the post of Governor-General of Fars. He was recently appointed Governor-General of Khorassan, and the prospect of a quiet life at Meshed, with the strong Russian support he can count on, is much more agreeable to him than the possibilities awaiting him at Shiraz. He says, however, that he cannot possibly escape going to Shiraz unless the British or Russian Ministers intervene to prevent the appointment.

Ala-ed-Dowleh's appointment to Shiraz would be welcome to me, as he is one of the few strong men in Persia, but the Russian Minister is desirous of his going to Meshed.

In these circumstances I shall not intervene in either sense.